

# Racial Housing Segregation and Concentration in the Central Cities

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SOUTHERN ILLINOIS UNIVERSITY  
EDWARDSVILLE

Symposium for National Fair Housing  
Training Conference and Housing  
Policy Summit



# Overview of Key Points

- Housing segregation has declined, but, especially for African Americans, still persists at a high level.
- Segregation is highest, and has declined the least, in the areas with the largest minority populations - i.e., the places where most people of color live .
- Due to segregation and discrimination, African Americans and Latino/a Americans remain disproportionately concentrated in central cities.

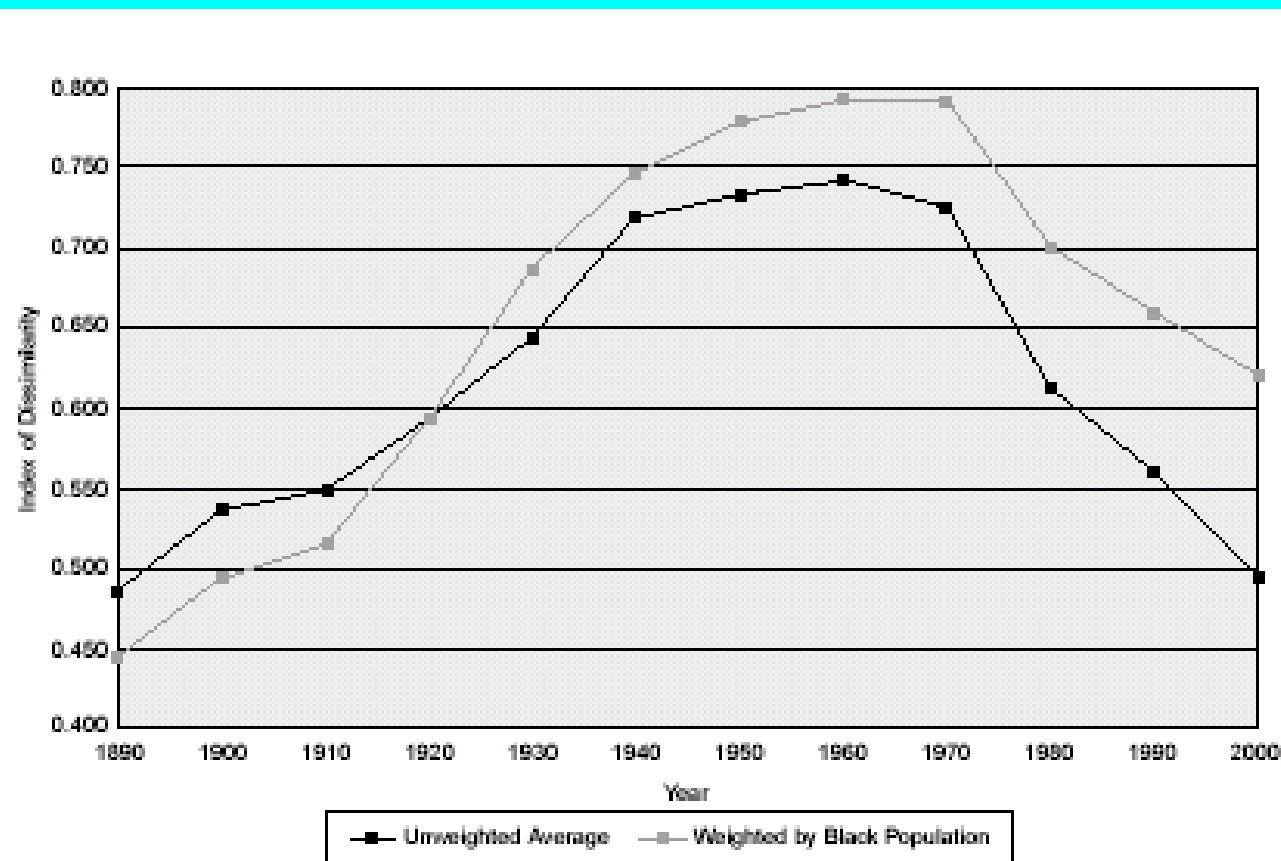
# Overview of Key Points (cont.)

- The high levels of segregation between whites and African Americans **cannot** be explained away by racial income differences.
- Preferences of whites regarding neighborhood racial composition account for some of the persistence of segregation.
- Preferences of African Americans regarding neighborhood racial composition account for very little segregation.
- Although declining, discrimination – in **sales**, **rentals**, **lending**, and **insurance** - remains common and is an important factor contributing to racial housing segregation.

# Overview of Key Points (cont.)

- Housing segregation and discrimination have significant consequences for people of color.
  - **Deprivation of asset accumulation (through limited access to homeownership and the “segregation tax”)**
  - **Restricted educational opportunities**
  - **Reduced access to employment opportunities (“spatial mismatch”)**
- Housing segregation and discrimination have broader implications for race relations, by preventing opportunities for meaningful intergroup contact.

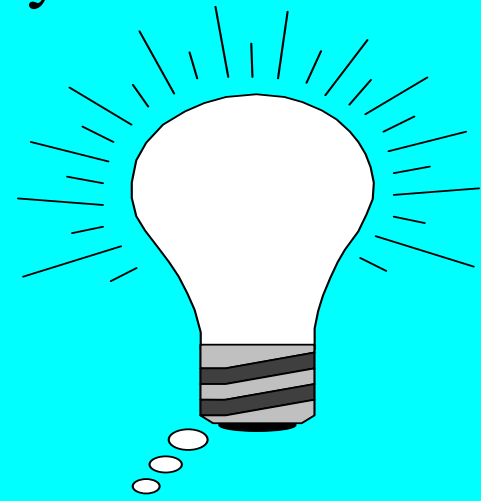
# Key Point 1. Housing segregation has declined, but, especially for African Americans, still persists at a high level.



# One common measure of segregation is the Index of Dissimilarity, commonly known as the “Segregation Index.”

- This index, computed for cities and for metropolitan areas, can range from 0 to 100.
- It is based on the number of people in any two groups living in different neighborhoods within the city or metropolitan area.
- Census tracts or blocks are used to represent these different neighborhoods

- **An index of 0 (no segregation)** would mean that every neighborhood would have the same mix of the two groups as the city or metropolitan area as a whole.
  - For example, if a city is 60% white and 40% African American, a segregation index of 0 based on census tracts would mean that every census tract would be 60% white and 40% African American - just the same as the city-wide mix.



- An index of 100 means total segregation. This would mean that every neighborhood would be racially homogeneous. In our example of a city that is 60 percent white and 40 percent black, this would mean that every census tract is either all white or all African American.
- In real life, no cities or metropolitan areas have indices of 0 or 100. They all fall somewhere in between. However, when it comes to segregation between whites and African Americans, most areas with more than token diversity are closer to the segregated end of the scale.



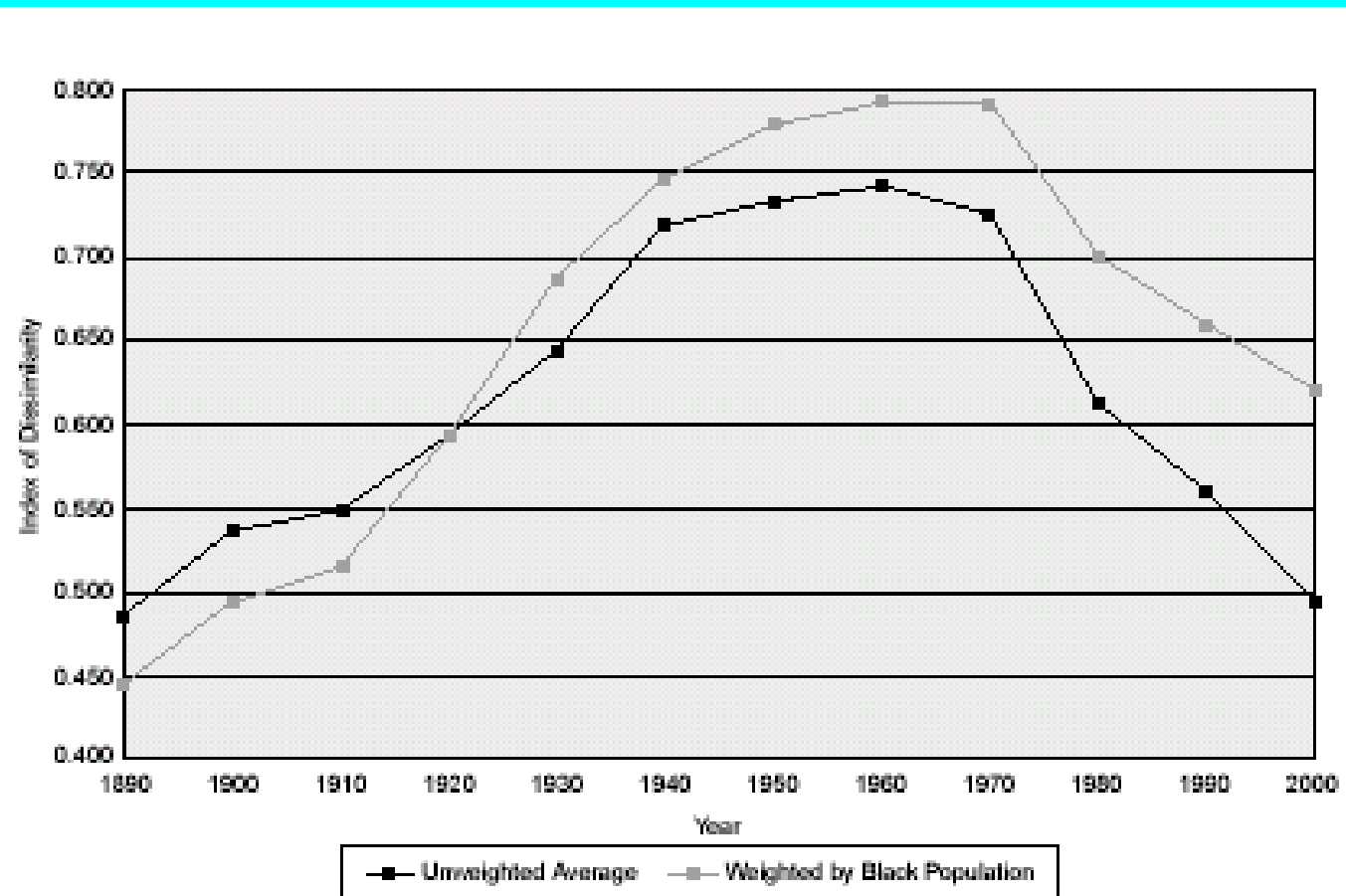
# How segregated is the average U.S. metropolitan area?

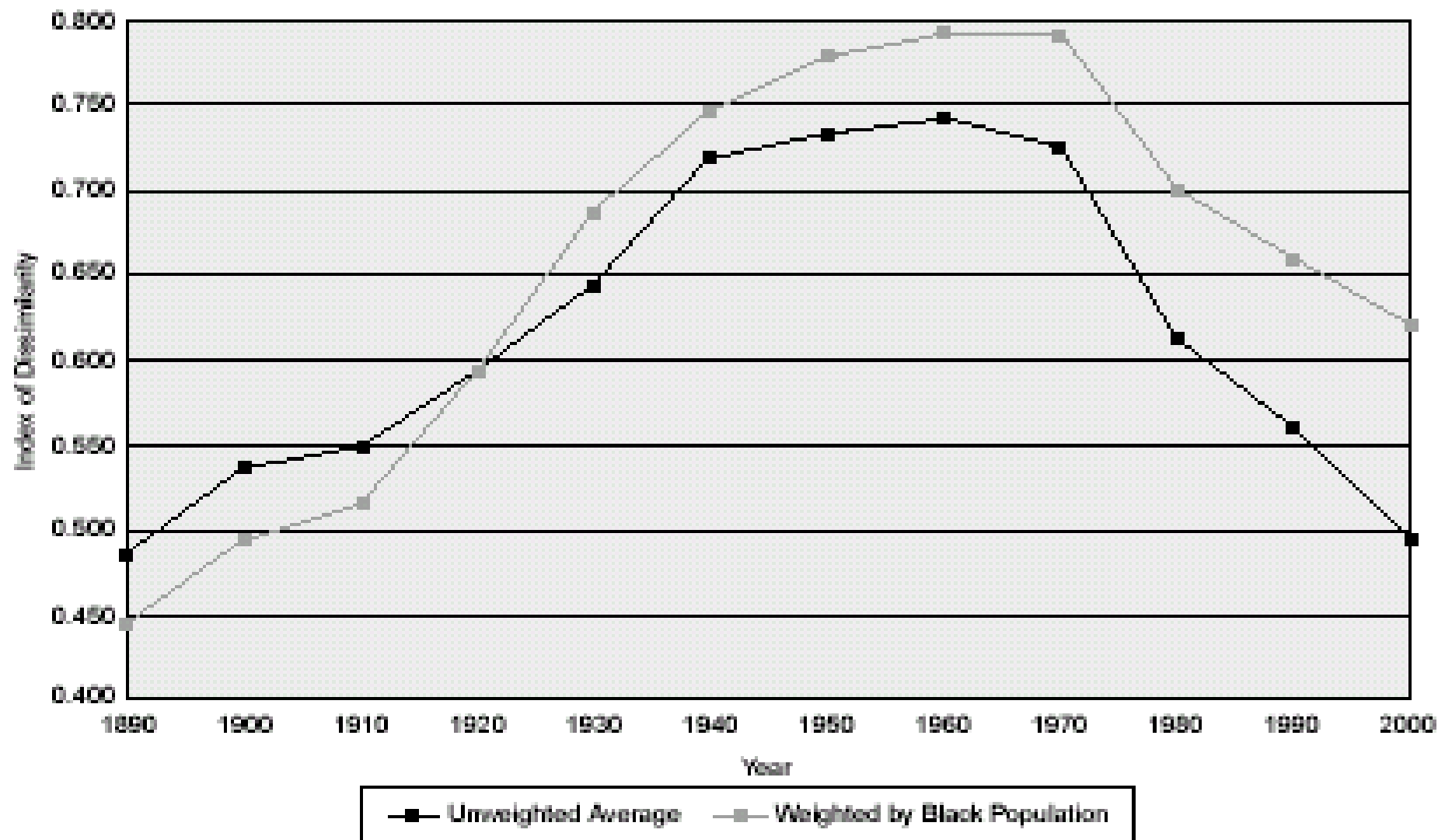
- The average segregation index between whites and African Americans for all U.S. metropolitan areas in 2000 was about 50 - right in the middle of the scale.
- However, this is misleading, because many of these metro areas are small, newer ones with very few African Americans.

- A better average is the **weighted average**, which tells us the segregation level experienced by the average African American in U.S. metropolitan areas.
- **This average was about 64 in 2000, nearly 2/3 of the way toward the segregated end of the scale.**

As shown here, segregation peaked between about 1960 and 1970, and has been declining since then.

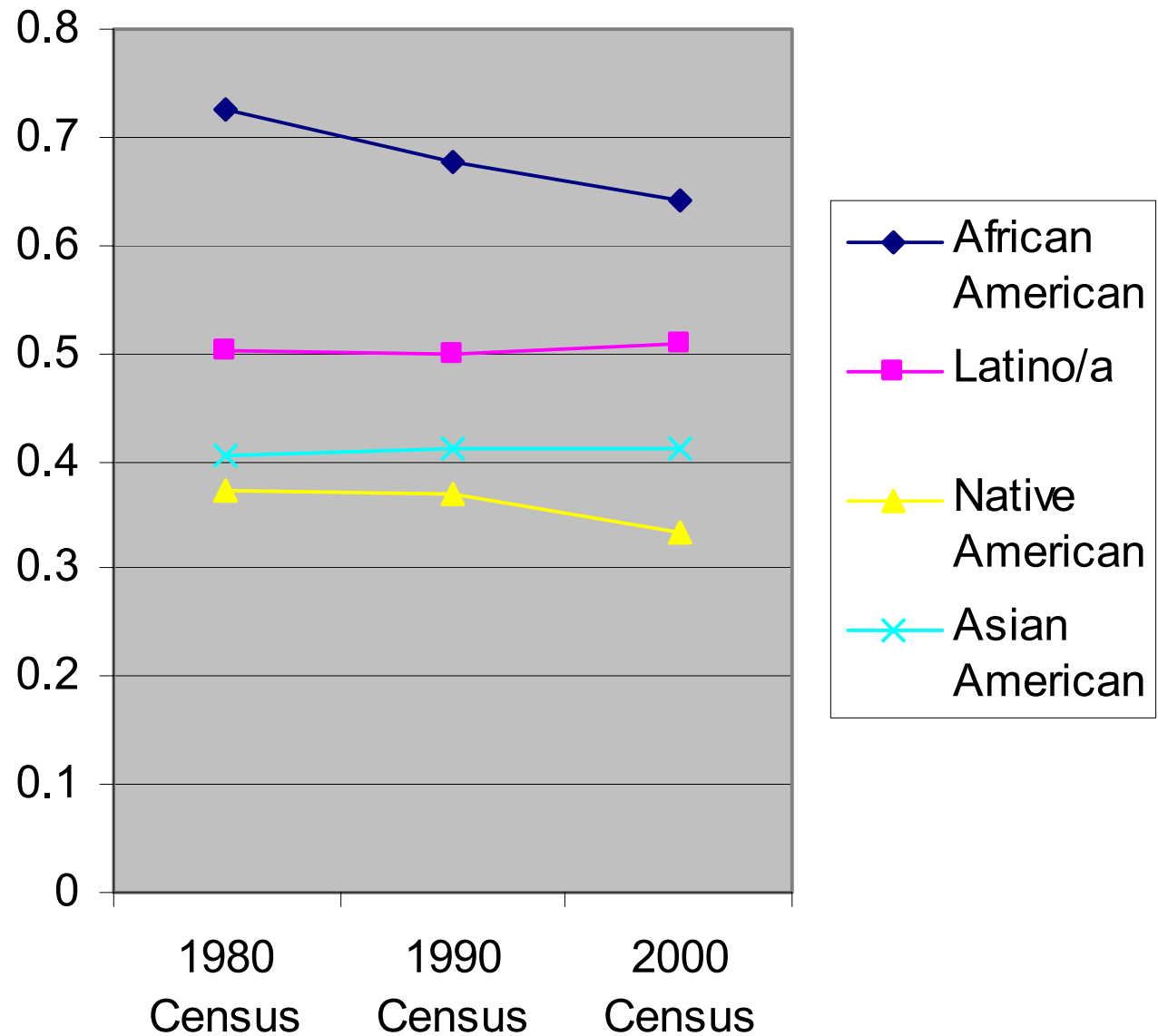
- The un-weighted average has fallen from about 74 to 50.
- The weighted average has only fallen from about 79 to 64.





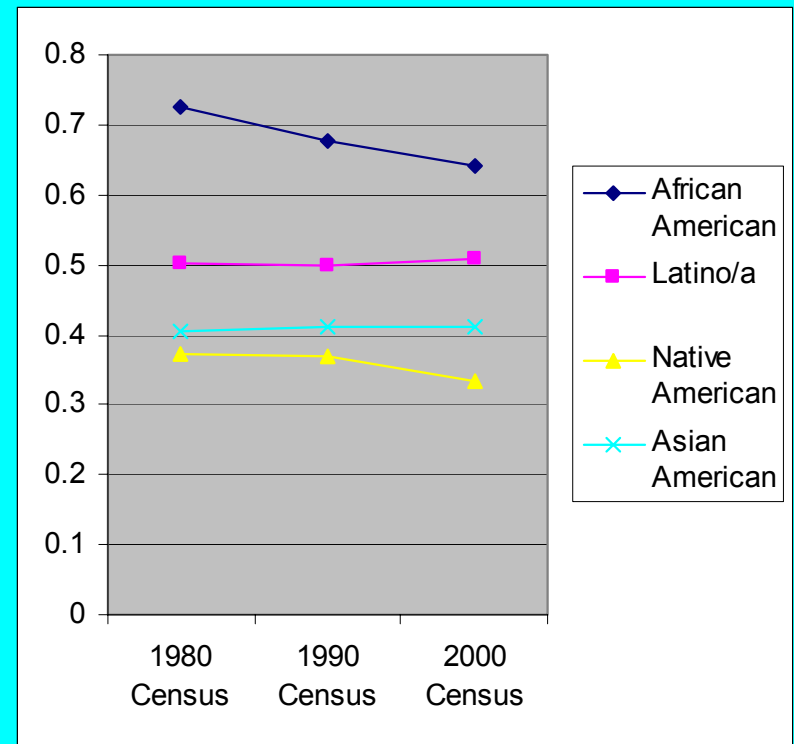
- Source: Edward L. Glaeser and Jacob Vigdor, Center on Urban & Metropolitan Policy

**Though they  
are falling,  
segregation  
Levels are  
higher for  
African  
Americans  
than for  
other  
racial/ethnic  
groups**



- Source: Weighted averages for U.S. metro areas, from U.S. Census Bureau

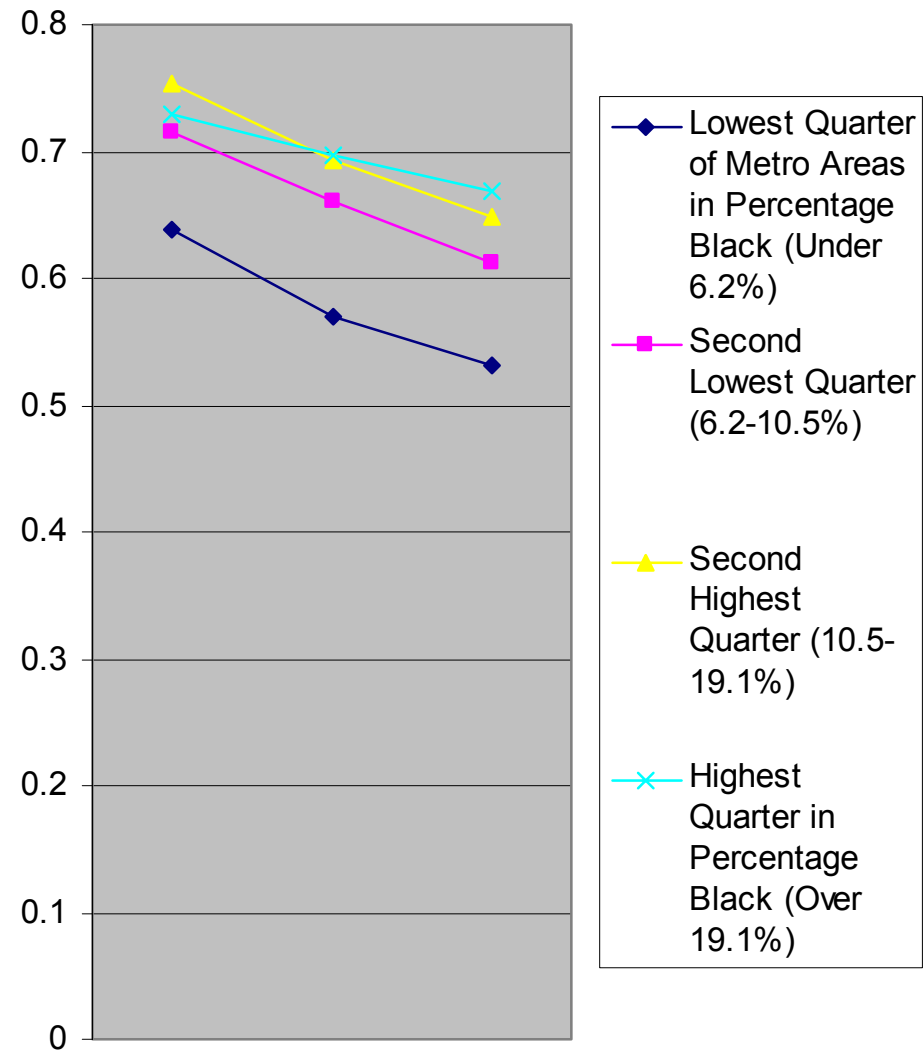
The segregation levels for Asian Americans are at a level not unusual for immigrant groups, no doubt to some degree reflecting choices to live in ethnic enclaves



- However, the segregation indices for Latino/a Americans are higher, and the levels for African Americans remain uniquely high, despite decline from the peak 30-40 years ago.
- Native American indices are lower, but metro area data mask rural segregation on reservations.

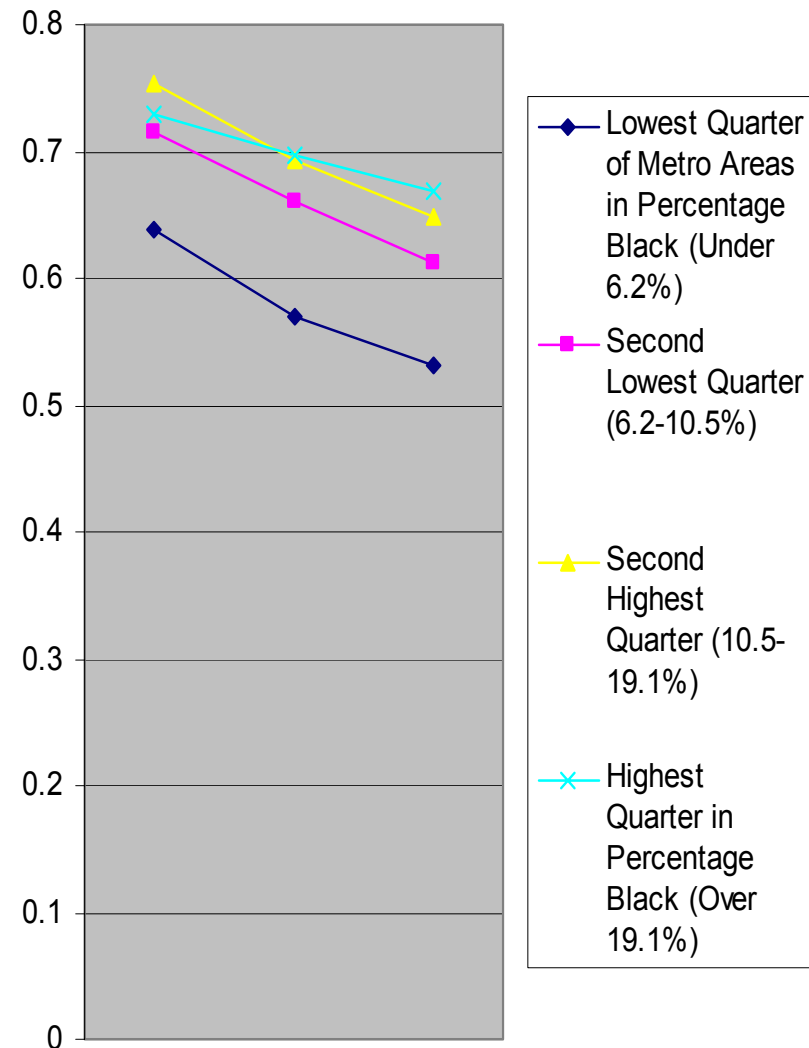
**Key Point 2:**  
**Segregation is highest, and has declined the least, in the areas with the largest minority populations - i.e., the places where most people of color live .**

**African American Residential Segregation Trend in U.S. Metropolitan Areas, 1980-2000, by Racial Composition Quartile**



**Note that in the 1/4 of U.S. metropolitan areas with the highest percent African American population (more than 19%, represented by the light blue line), segregation only fell from about 73 to about 67 between 1980 and 2000. This is a higher level and a smaller decline than for areas with smaller African American percentages.**

**African American Residential Segregation Trend in U.S. Metropolitan Areas, 1980-2000, by Racial Composition Quartile**

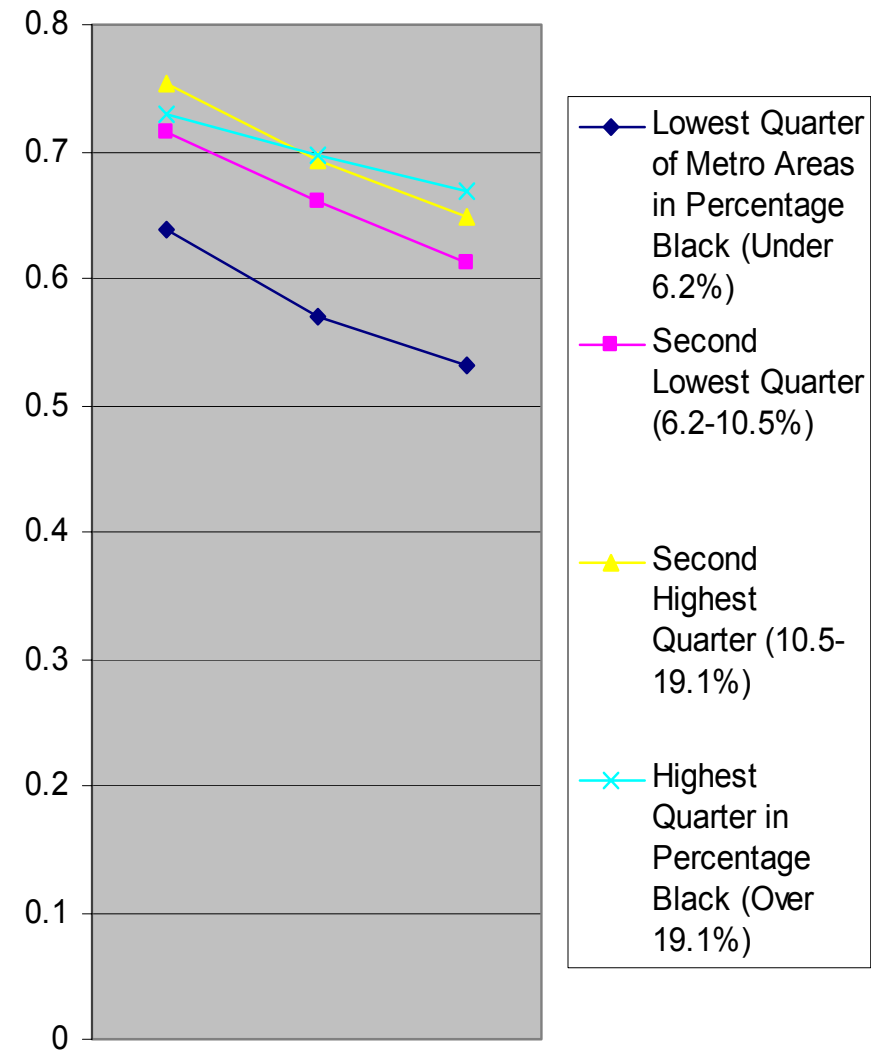




**Also note that, in general, the larger the proportion of African Americans in an area, the more segregated it is.**

**This has been a consistent pattern.  
What do you think explains it?**

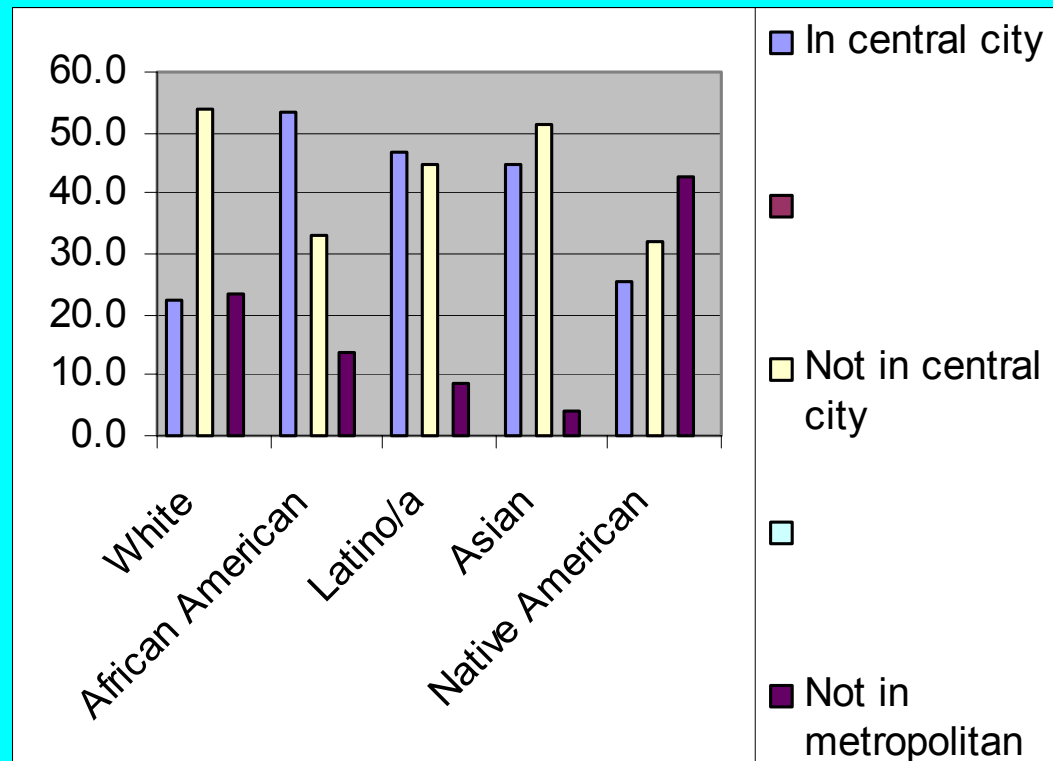
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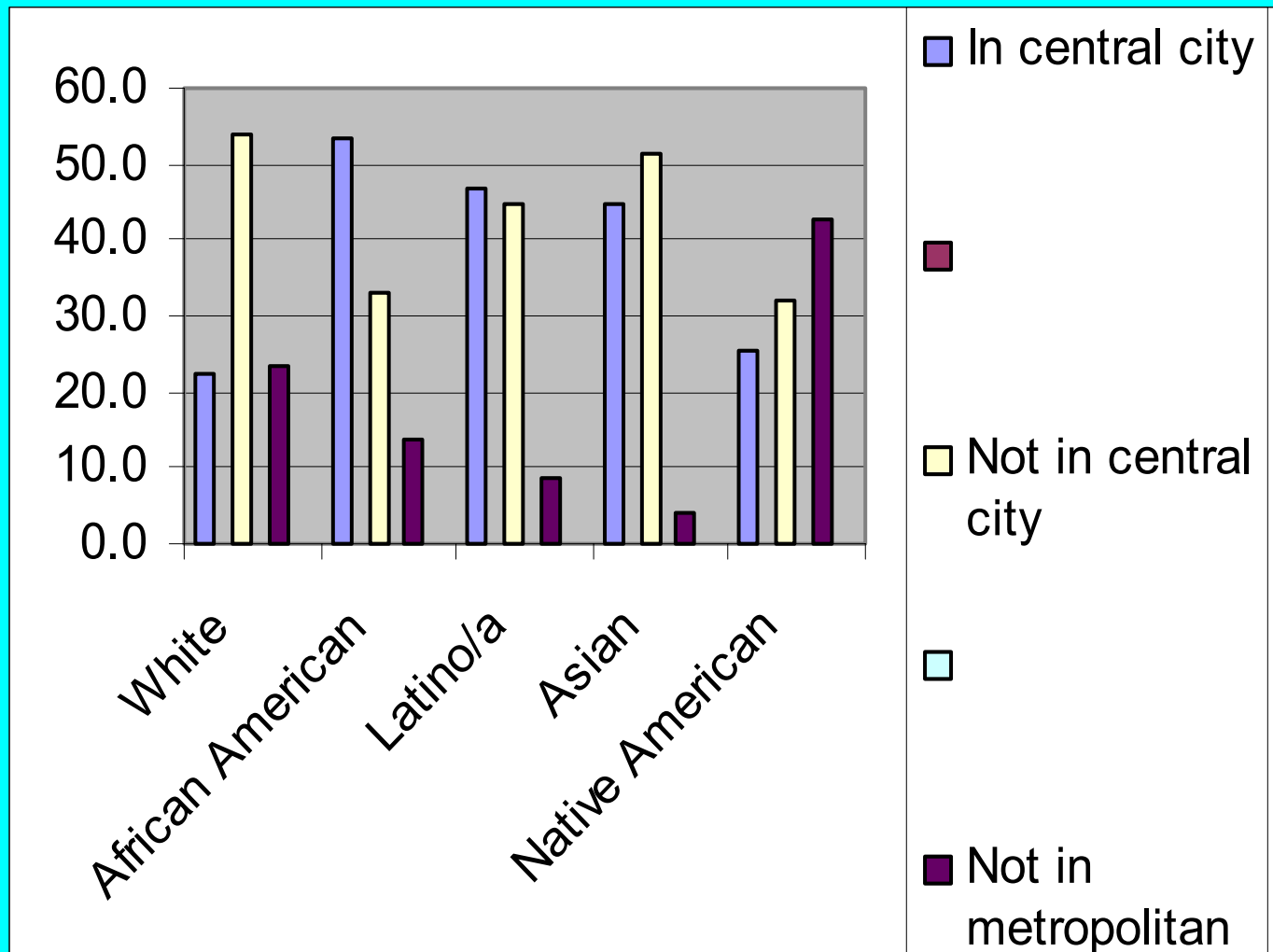
**In some metro areas with large African American populations, segregation between whites and African Americans is quite extreme.**

- **For example, in the New York, Chicago, Detroit, and St. Louis metropolitan areas, the majority of whites in 2000 lived in census tracts that are less than 2 percent black – even though the percentage of African Americans in these metropolitan areas ranges from around 19 to 24 percent.**
- **At the same time, the majority of African Americans lived in neighborhoods that were less than 5 percent white.**

# **Key Point 3:** Due to segregation and discrimination, African Americans and Latino/a Americans remain disproportionately concentrated in central cities.

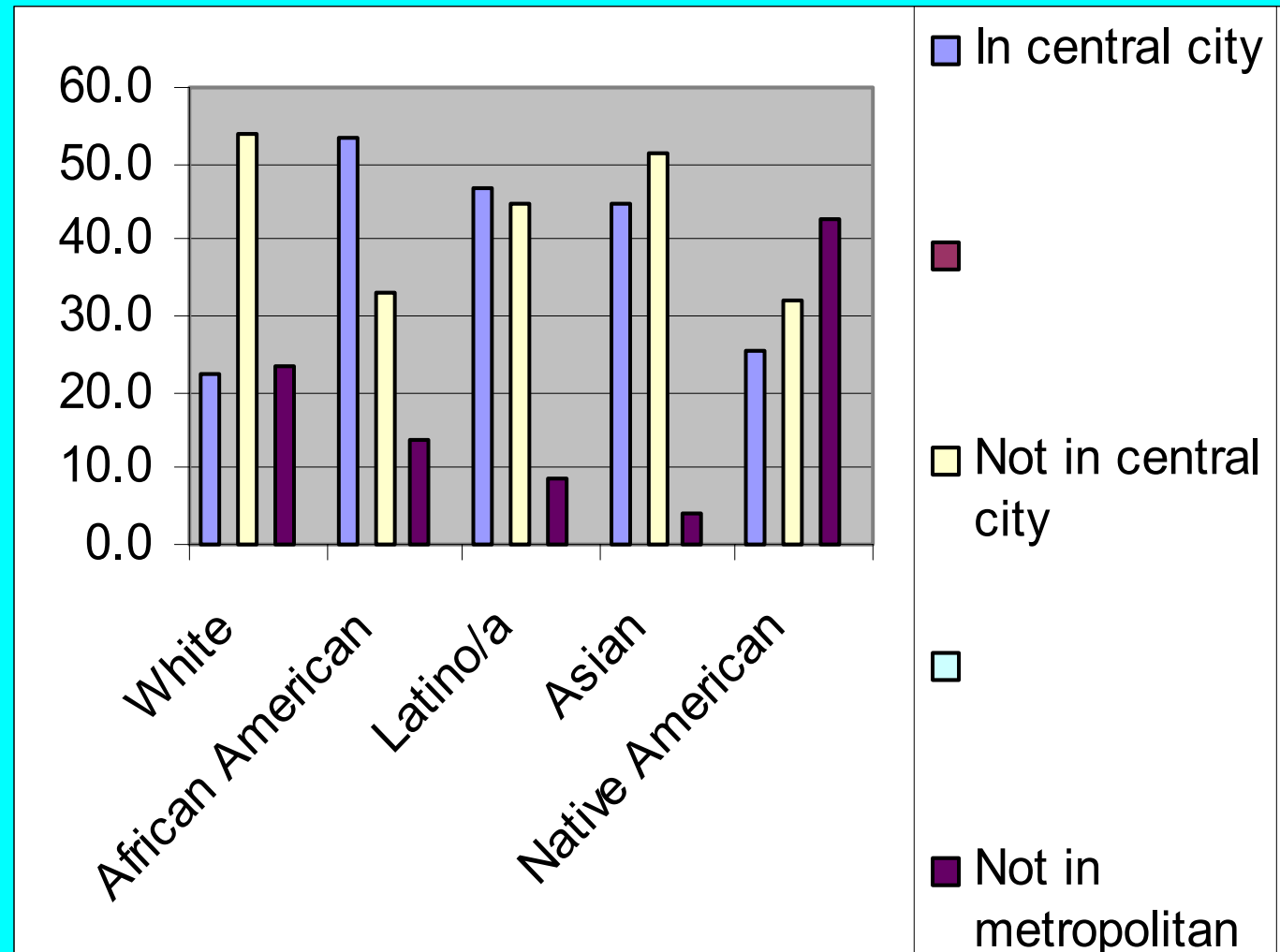


**Note that whites are more than twice as likely to live in the suburbs (yellow line) as the central city, while Latinos/as and especially African Americans are more likely to live in the central cities of metropolitan areas (blue line).**

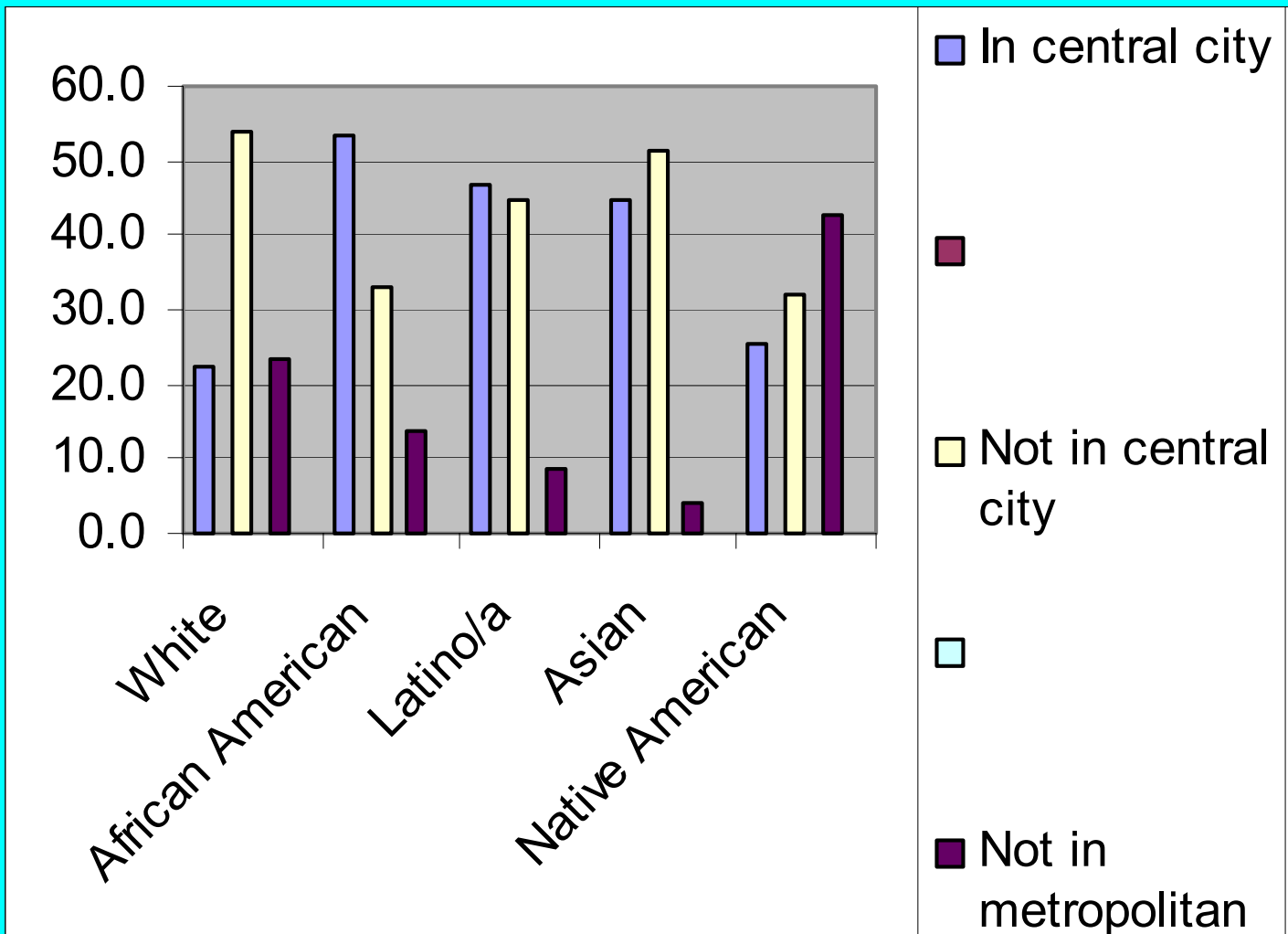


**A sizable majority of whites and a narrow majority of Asian Americans live in the suburbs, while a sizable majority of African Americans and a plurality of Latinos/as live in the central city.**

- Meanwhile, American Indians are most likely to live in rural areas, often on largely segregated reservations.

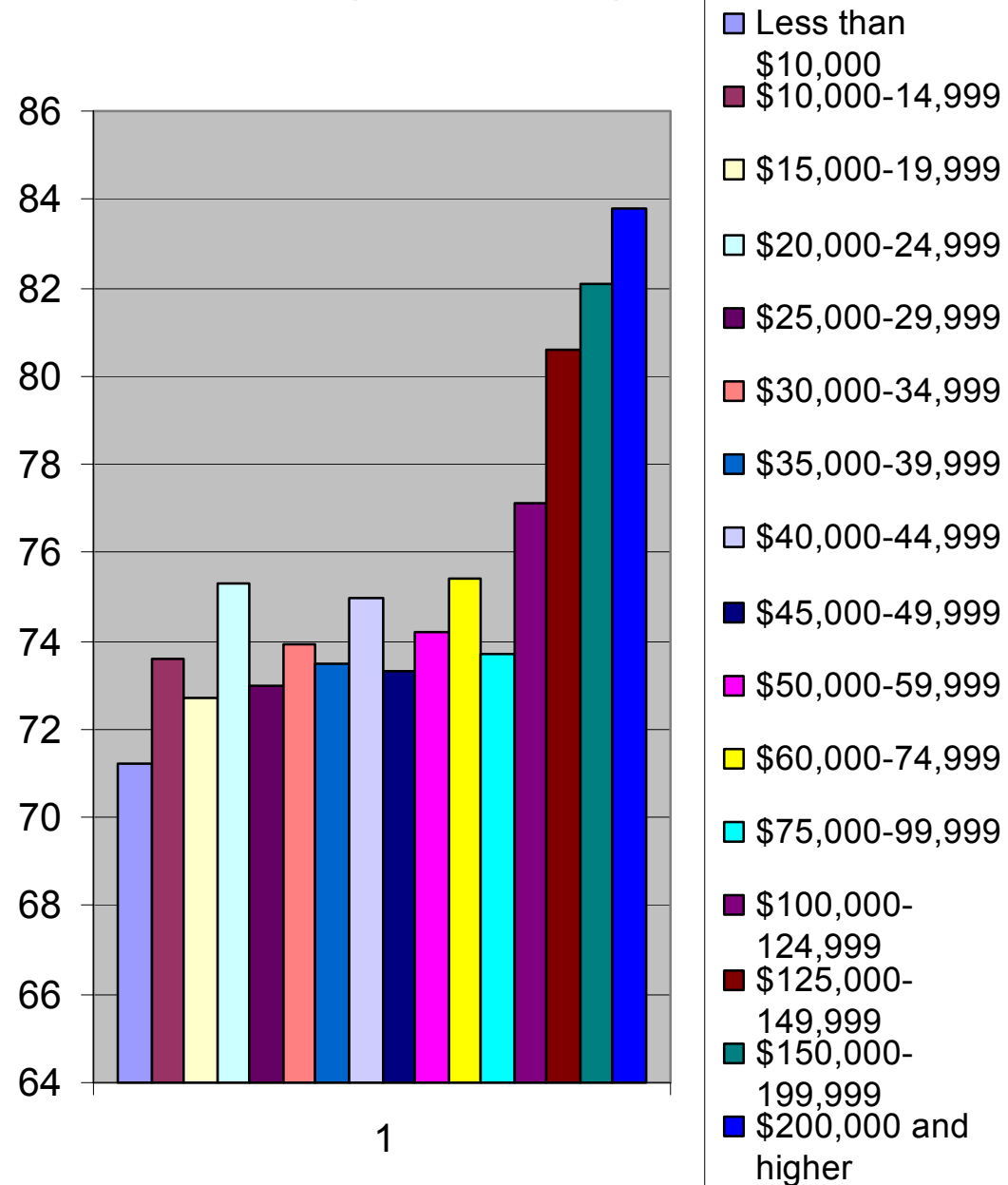


**As we shall see later, opportunities for employment, real estate appreciation, and quality education are greatest in the suburbs, so it is significant that whites are most likely to live there.**

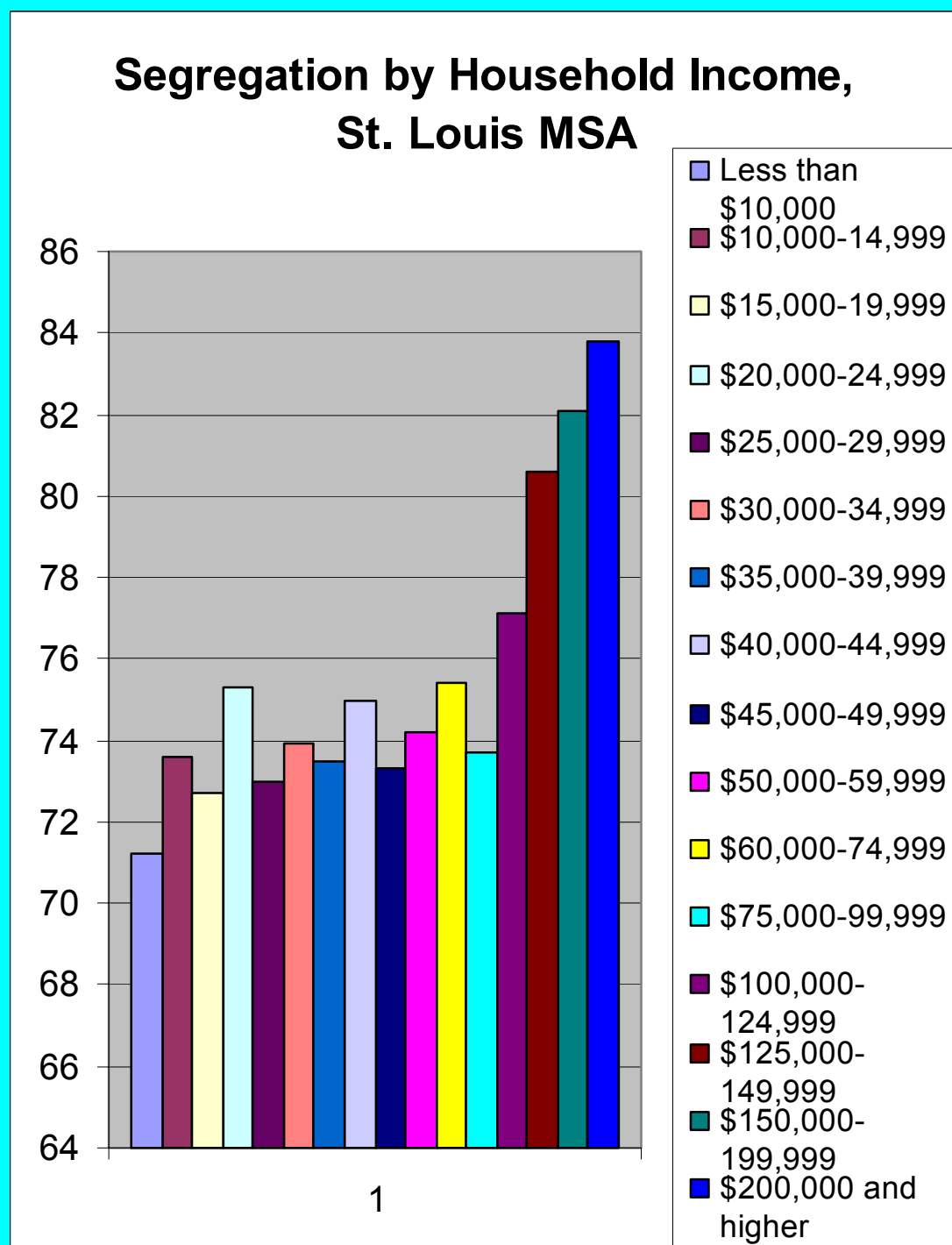


**Key Point 4:**  
The high levels  
of segregation  
between whites  
and African  
Americans  
**cannot** be  
explained away  
by racial income  
differences.

**Segregation by Household Income,  
St. Louis MSA**



**Consider these data from the St. Louis metropolitan area in 2000. The overall level of segregation between white and black households was 73. Note that at all income levels between \$10K and \$100 K, segregation is between 72 and 76. Income doesn't matter!**

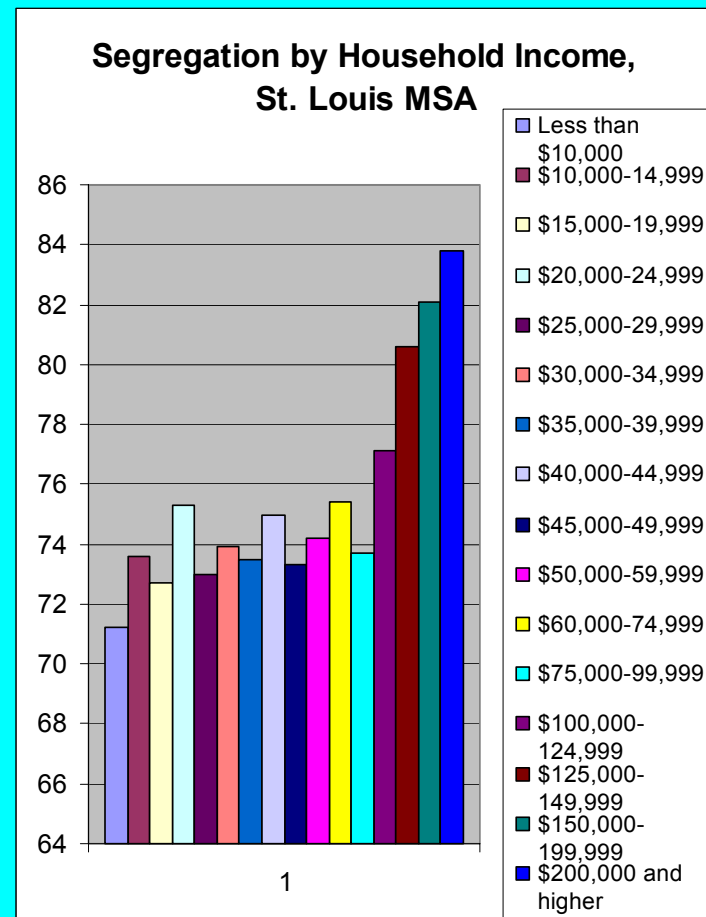




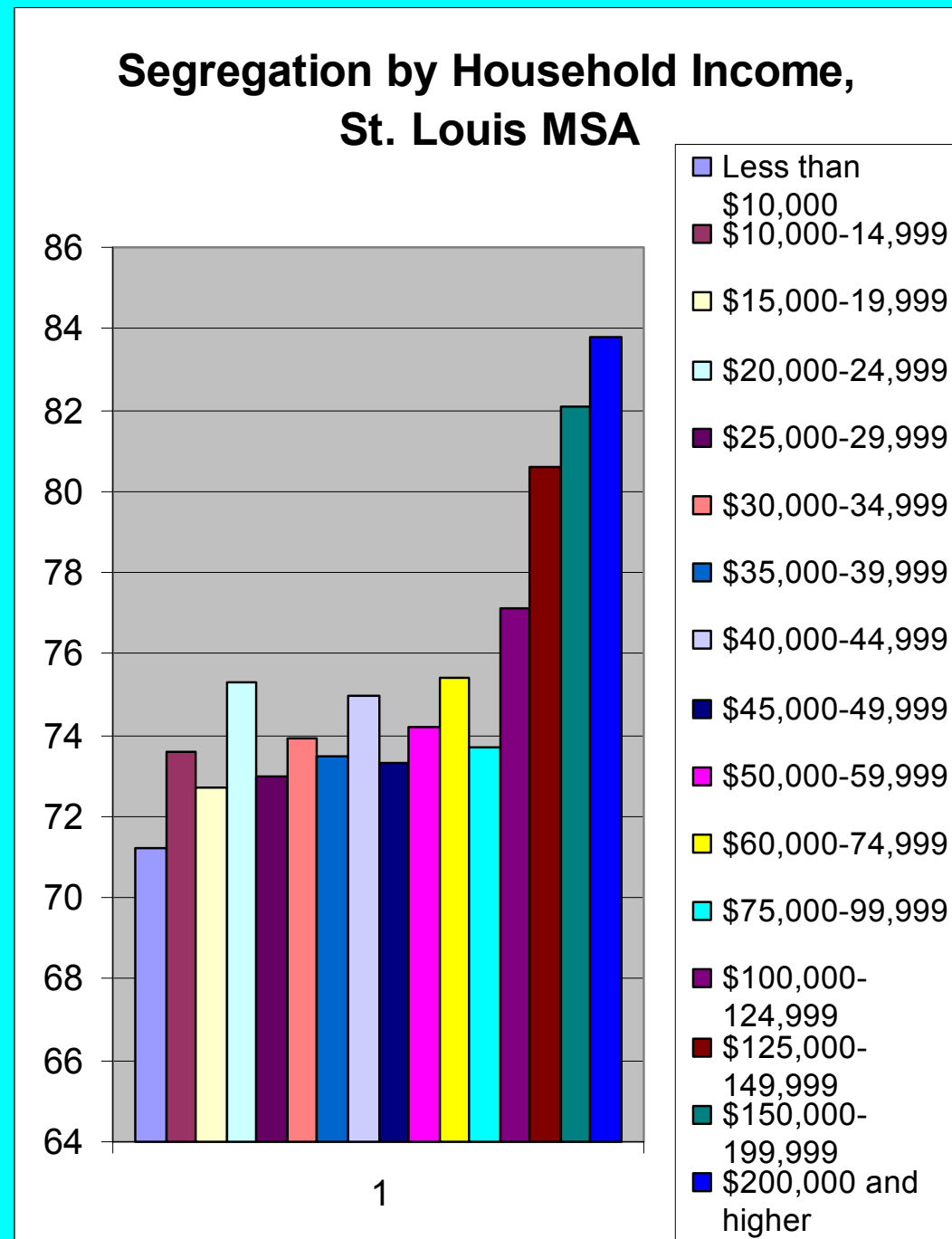
**If it were true that segregation occurs mainly because blacks and whites can afford to live in different neighborhoods, we would expect segregation levels to be lower within any particular income group than in the overall population.**

**But that's not what happens.**

- Poor whites don't live near poor blacks.**
- Middle-income blacks don't live near middle-income whites.**
- And especially, upper income whites and blacks don't live in the same areas.**



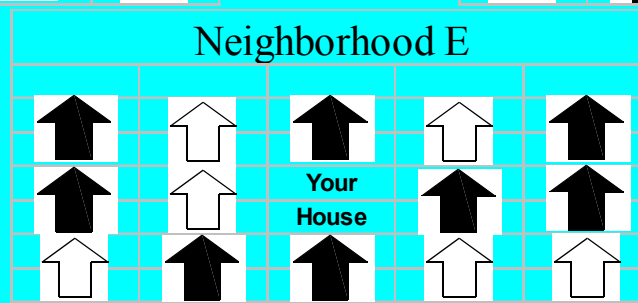
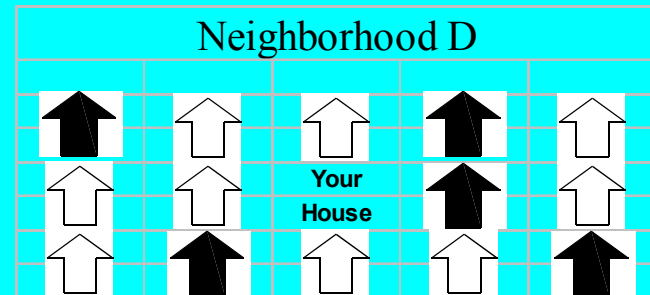
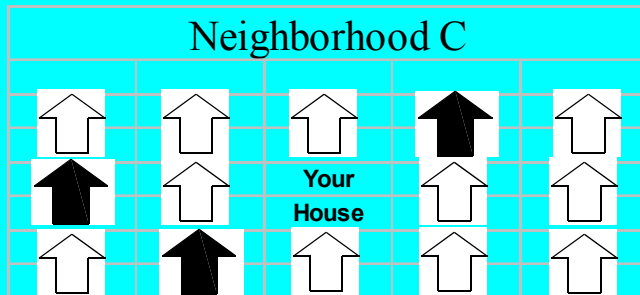
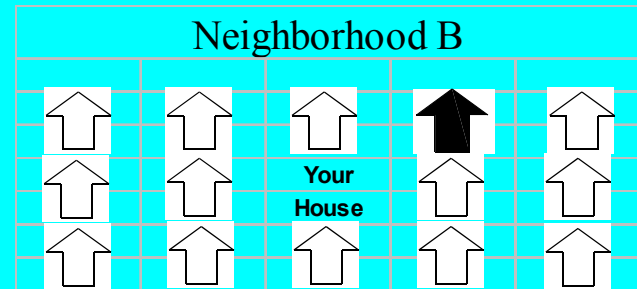
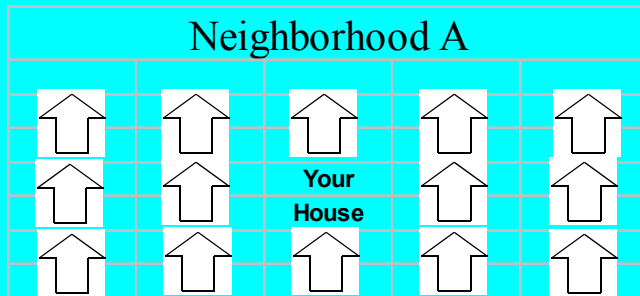
The only sense in which income matters at all is that, at income levels above \$100,000, whites and African Americans are even **MORE** segregated than in the overall population (at least in St. Louis).



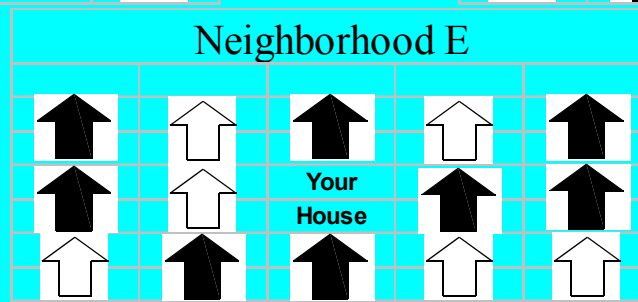
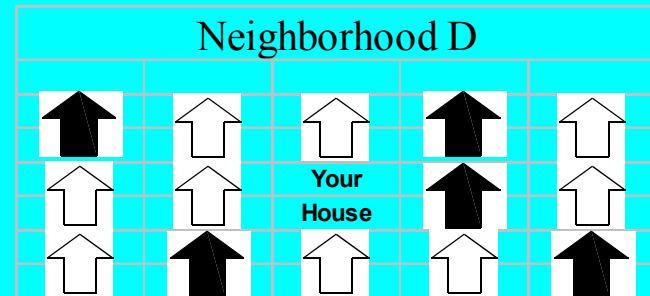
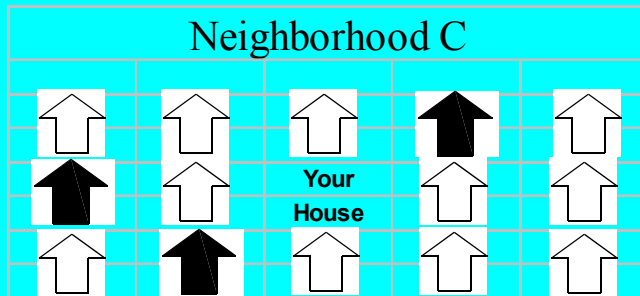
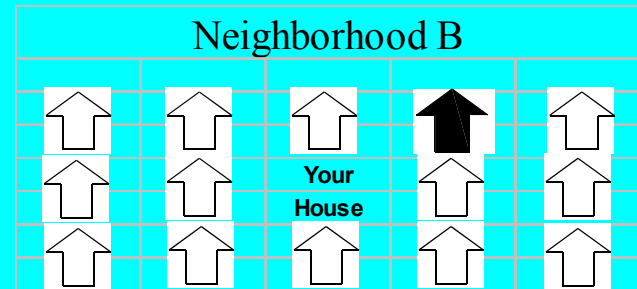
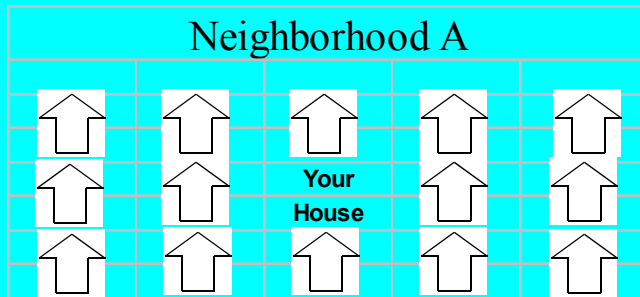
**In 2000, if income differences between white and African American households were the only reason for housing segregation, the segregation index in the St. Louis metropolitan area would have been 10.8**

- The actual segregation index between white and African American households was **73.0**
- Has income differences been the only cause of segregation, the index would have been **just 14.8% of the level it actually was.**
- Thus racial processes, not class processes, are the main causes of racial housing segregation.

# Key point 5: Preferences of whites regarding neighborhood racial composition account for some of the persistence of segregation.



# In the Multi-city Study of Urban Inequality, whites were shown cards like these to illustrate different neighborhood racial mixes.



They were then asked about their willingness to move into neighborhoods represented by each of the cards.

- This research was done in the Atlanta, Los Angeles, and Boston metropolitan areas between 1992 and 1994.
- In 1992, a similar study was done in the Detroit metropolitan area.
- The Detroit study was a follow-up to a similar study done there in 1976.

**Between 1/3 and 1/5 of whites indicate  
unwillingness to move to a  
neighborhood as little as 20% African  
American.**

**Black-White Neighborhood Composition and Willingness to Move In**

	Atlanta	Los Angeles	Boston
would move into neighborhood with 1/15 black neighbors	83.2%	82.7%	90.9%
would move into neighborhood with 3/15 black neighbors	67.7%	73.6%	80.8%
would move into neighborhood with 5/15 black neighbors	39.9%	49.3%	56.0%
would move into neighborhood with 8/15 black neighbors	23.2%	30.8%	39.6%

- Source: Keith R. Ihlanfeldt and Benjamin Scafidi, “Whites’ Neighborhood Racial Preferences,” Multi-City Study of Urban Inequality

**Only about half of whites are willing to move into a neighborhood that is one-third African American. Roughly the other half of whites are **unwilling** to move into a neighborhood with this racial mix.**

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These numbers show quite clearly that one reason for racial housing segregation is unwillingness of many whites to move into racially diverse neighborhoods.

- In many of our largest metropolitan areas, the area-wide racial composition is around 20% African American.
- Yet between one in five and one in three whites are unwilling to move to a neighborhood with this racial composition.
- And around half of whites are unwilling to move to neighborhoods as little as 1/3 black.

Though many whites remain unwilling to move to diverse neighborhoods, a larger number than in the past are willing to do so

- In Detroit, the percentage of whites willing to move to a 20% African American neighborhood rose from 50% in 1976 to 69% in 1992.
- But there, as in the other cities, just over half were unwilling to move to a neighborhood that is 1/3 African American.

Clearly, the number of whites who actually do live in neighborhoods that are 1/5 or 1/3 black is far below the 65-80% of whites who indicate willingness to do so.

- In St. Louis in 2000, for example, fewer than 10% of all census tracts had populations between 15 and 30% African American.
- This is far below the percentage of whites who say they are willing to live in such areas, and also far below what would be expected based on income.

This may be because whites answering surveys overstate their willingness to live in diverse areas, or because there are institutional barriers to whites who want to live in integrated areas.

Most likely, it is some of both.

**Be that as it may, the MCSUI researchers found that for whites, there is a correlation between these expressed preferences and the racial mix of neighborhoods where whites actually live.**

- For this reason, the researchers concluded that the predominant preference among whites for mostly-white areas, along with their reluctance to move into areas with sizable numbers of blacks, does account for a good deal of the residential segregation in the areas they studied.

**Key Point 6:** Preferences of African Americans regarding neighborhood racial composition account for very little segregation.

- In the multi-city study of urban inequality, African American respondents in Detroit, Atlanta, and Los Angeles were asked about their preferences in neighborhoods
- For most African Americans, the most preferred neighborhood is one that is half African American and half white.

# Neighborhood Preferences of Black Respondents

- The most preferred neighborhood in all three metro areas was one that is 50% white and 50% black.
- Thus, the majority of African American prefer integrated areas.

	Most Preferred Neighborhood		
	Detroit	Atlanta	Los Angeles
All Black	13.0%	21.4%	22.8%
2/3 Black	21.8%	20.0%	20.7%
Half Black	59.3%	53.8%	44.2%
1/5 Black	5.1%	2.5%	8.7%
All White	0.9%	2.4%	3.7%

Source: Keith R. Ihlanfeldt and Benjamin Scafidi, Multi-City Study of Urban Inequality, “Black Self Segregation ...”

## At the same time, it is also true that:

- 35 to 43 percent of African Americans' first choice was a majority-black or all-black neighborhood.
- Many who chose the 50-50 neighborhood as first choice chose majority-black as second.

	Most Preferred Neighborhood		
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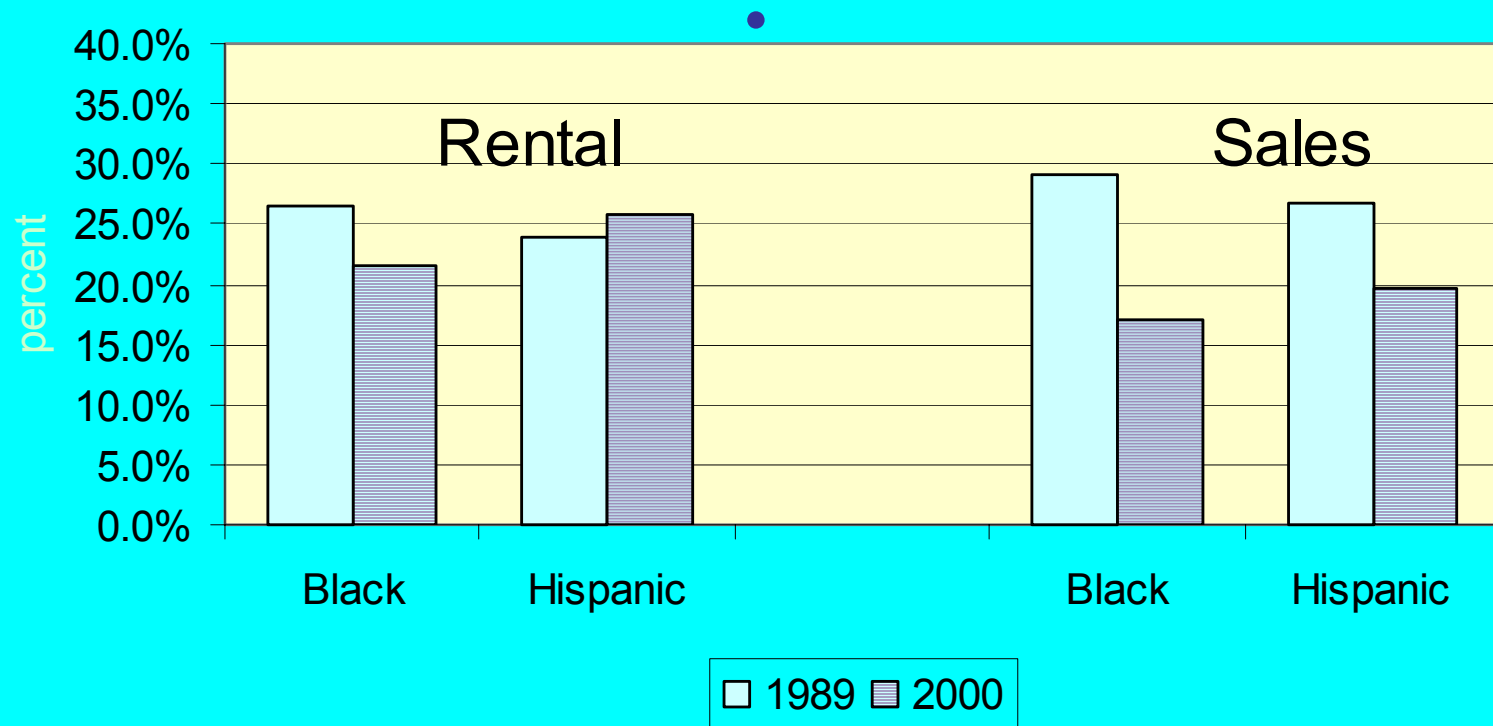


# Could the preferences of these African Americans be a contributing factor to segregation?

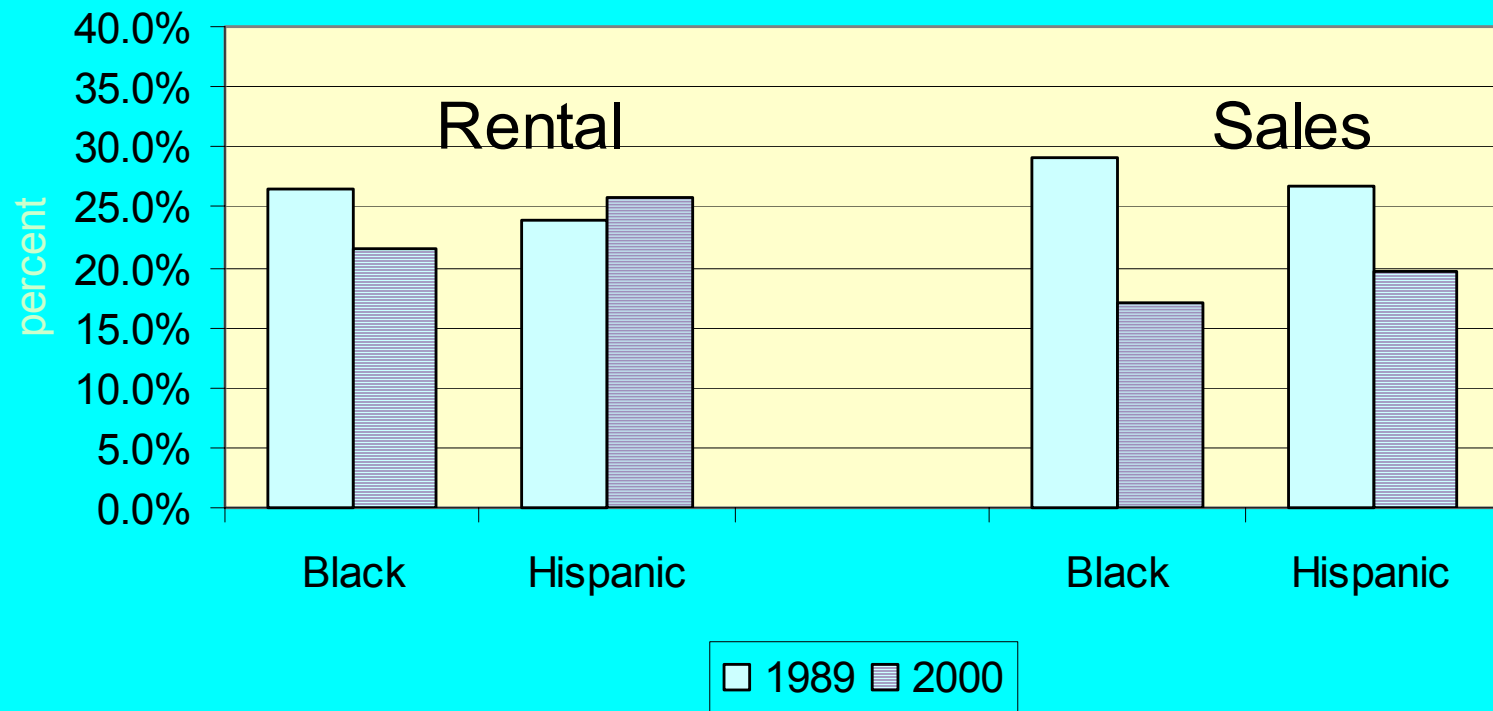
- They could, but MCSUI researchers Keith Ihlanfeldt and Benjamin Scafidi find only to a limited extent.
- For one thing, the study found that blacks consistently live in neighborhoods where the percentage of blacks exceeds their preferred neighborhood composition, suggesting the segregation is largely **involuntary**.
- Furthermore, **unlike for whites**, blacks' preferences were only weakly correlated to the racial composition of the neighborhoods where they live.

- In fact, they found that even if all blacks had preferred perfect integration, the average black respondent in each city would still live in a majority-black neighborhood. In other words, **African Americans are being prevented from realizing their neighborhood preferences.**
- This suggests that while the preferences of some African Americans to live in majority-black areas contribute to segregation, other factors play a bigger role. The researchers describe the contribution of black preferences to segregation as “statistically significant but minor.”

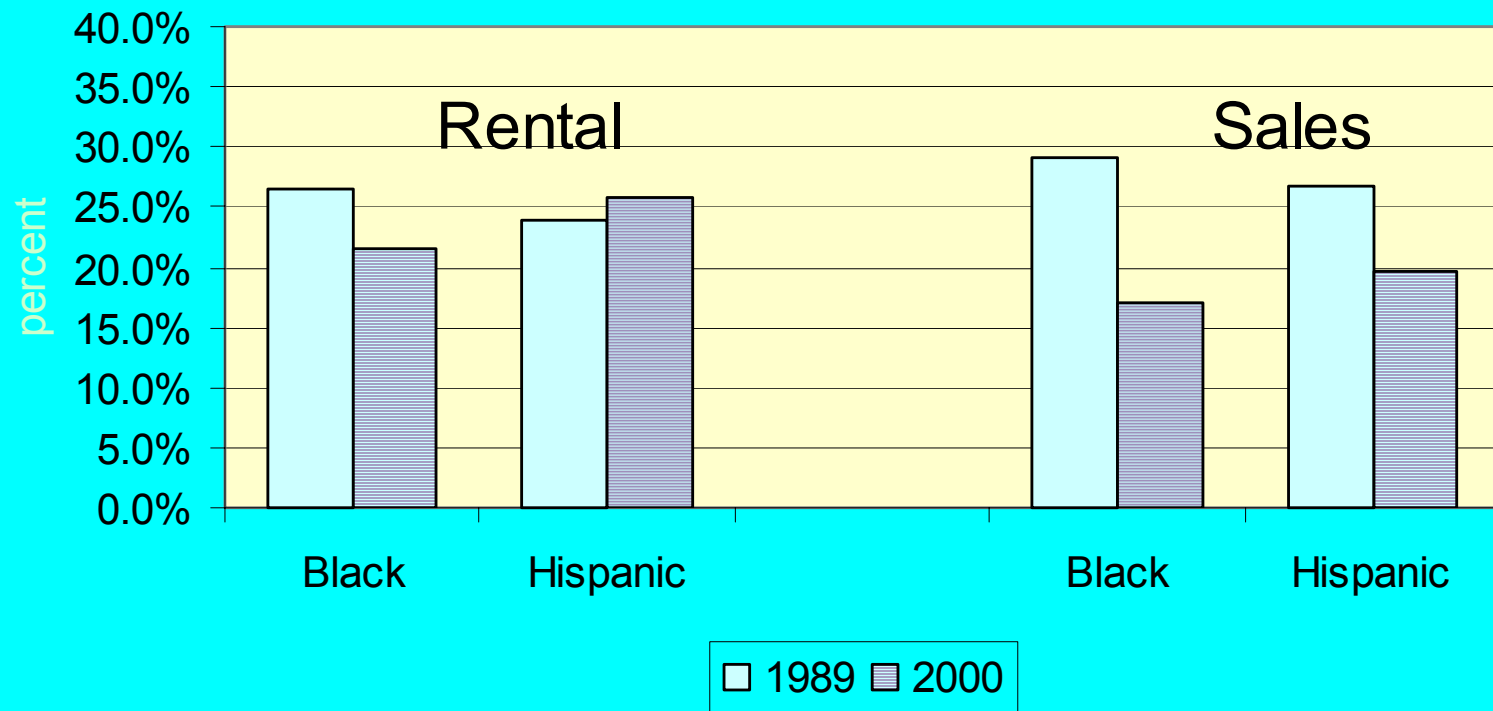
**Key Point 7:** Although declining, discrimination – in **sales, rentals, lending, and insurance** - remains common and is an important factor contributing to racial housing segregation.



- The data below from the HUD Housing Discrimination Study show the rate of “consistent adverse treatment” of Black and Hispanic homeseekers in 1989 and 2000. This refers to cases in which the minority tester was discriminated against in more than one way.



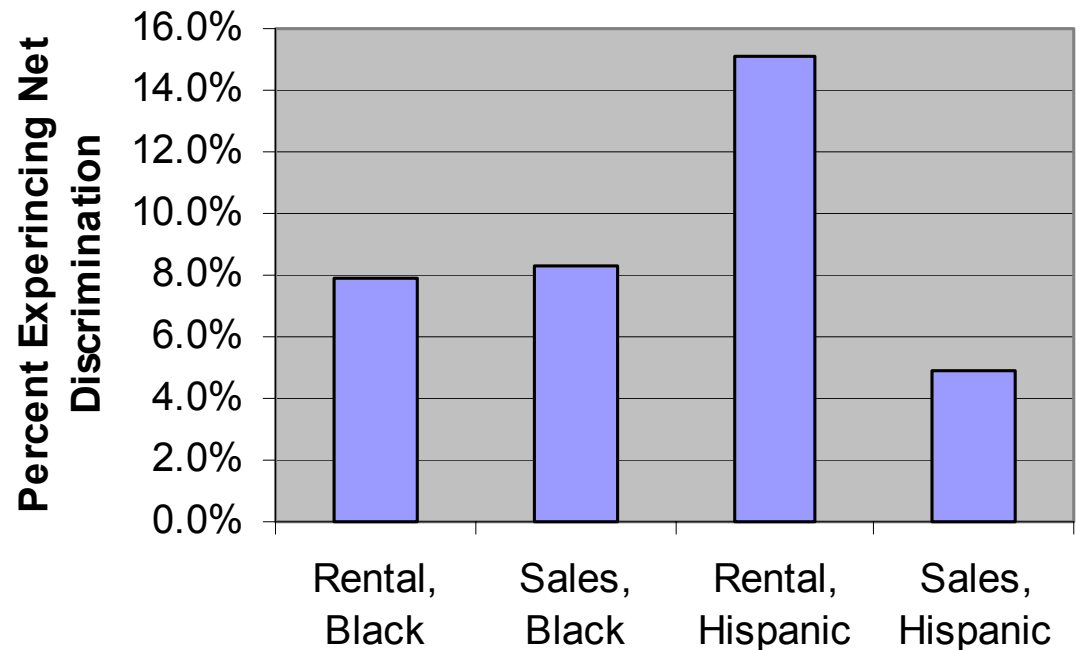
- Even though in most cases there is a decline, discrimination occurs more than 20% of the time in rentals and 15-20% of the time in sales.
- And in rentals, discrimination against Hispanics has actually increased since 1989.



# The most conservative estimate of discrimination is “net discrimination.”

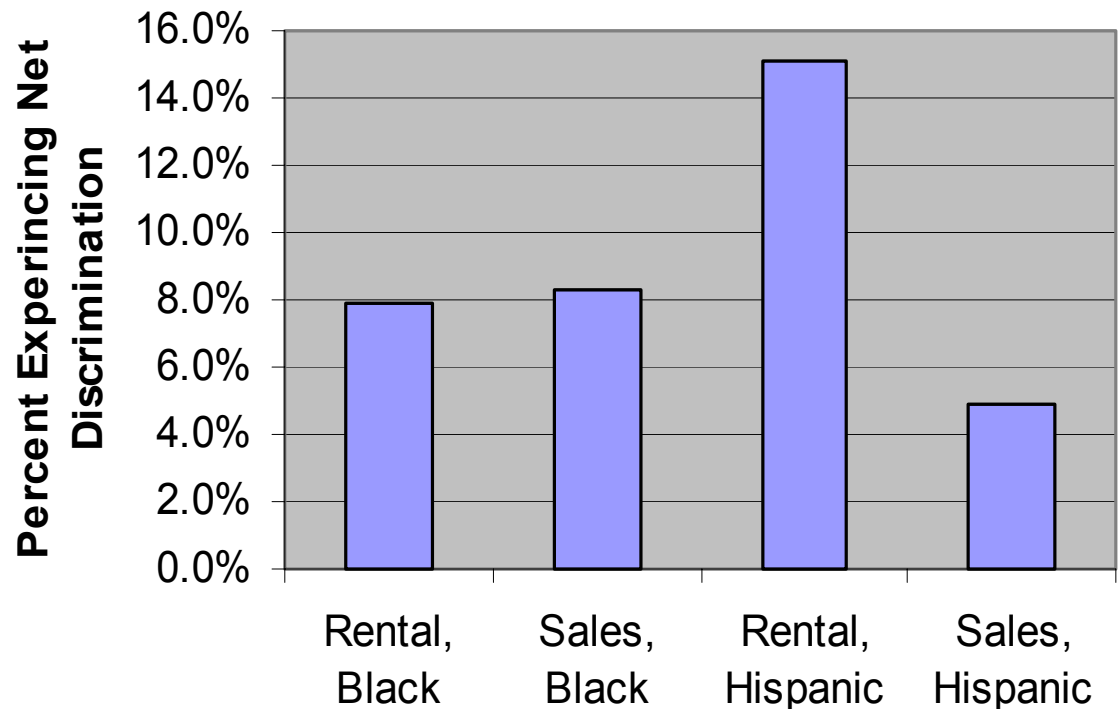
- This refers to the number of tests showing discrimination against minorities, *minus* the number showing discrimination against whites.

**National Estimates of Net Discrimination Rate Against Blacks and Hispanics, 2000**



- Even by this *most conservative* measure of discrimination, it occurred at an 8% rate for African Americans for both sales and rentals.
- For Hispanics, the rate was 15% for rentals, 5% for sales.

**National Estimates of Net Discrimination Rate Against Blacks and Hispanics, 2000**



# Discrimination also occurs regularly in lending.

- White borrowers are offered **more choice** in loan products, **higher loan amounts**, and **more advice** than minority borrowers.
- The Boston Federal Reserve Bank found that even among equally qualified borrowers in its region, applications from African Americans were 60 percent more likely to be rejected than those submitted by whites.



- An analysis of Home Mortgage Disclosure Act (HMDA) data by Focus St. Louis showed that, in the St. Louis metropolitan area, an African American household applying for a home-purchase mortgage was only about half as likely as a white applicant to receive the loan.
- African American applicants were not only more likely to be rejected; they were also more likely to give up and withdraw the application without receiving the loan.
- Another St. Louis area study, by economist Rik Hafer, showed that even in the subprime loan market, race and sex were significant predictors of the ability to get a loan.

Discrimination also occurs when people of color seek insurance for homes they own or wish to purchase.

- Paired-testing studies from around the country have concluded that whites are more likely to be offered policies, offered lower prices and more coverage, and given more assistance than African Americans or Hispanics

The inescapable conclusion is that discrimination still occurs far too frequently – in sales, rentals, lending, and insurance.

- The findings we have examined indicate that both discrimination and the segregative preferences of many whites are important factors contributing to housing segregation, inner-city concentration of minorities, and lack of homeownership among people of color.
- The preferences of some African Americans for segregated neighborhoods are at most a minor cause of segregation and concentration.

**Because of discrimination, many whites and even a larger share of African Americans **live in more segregated neighborhoods than they prefer.****

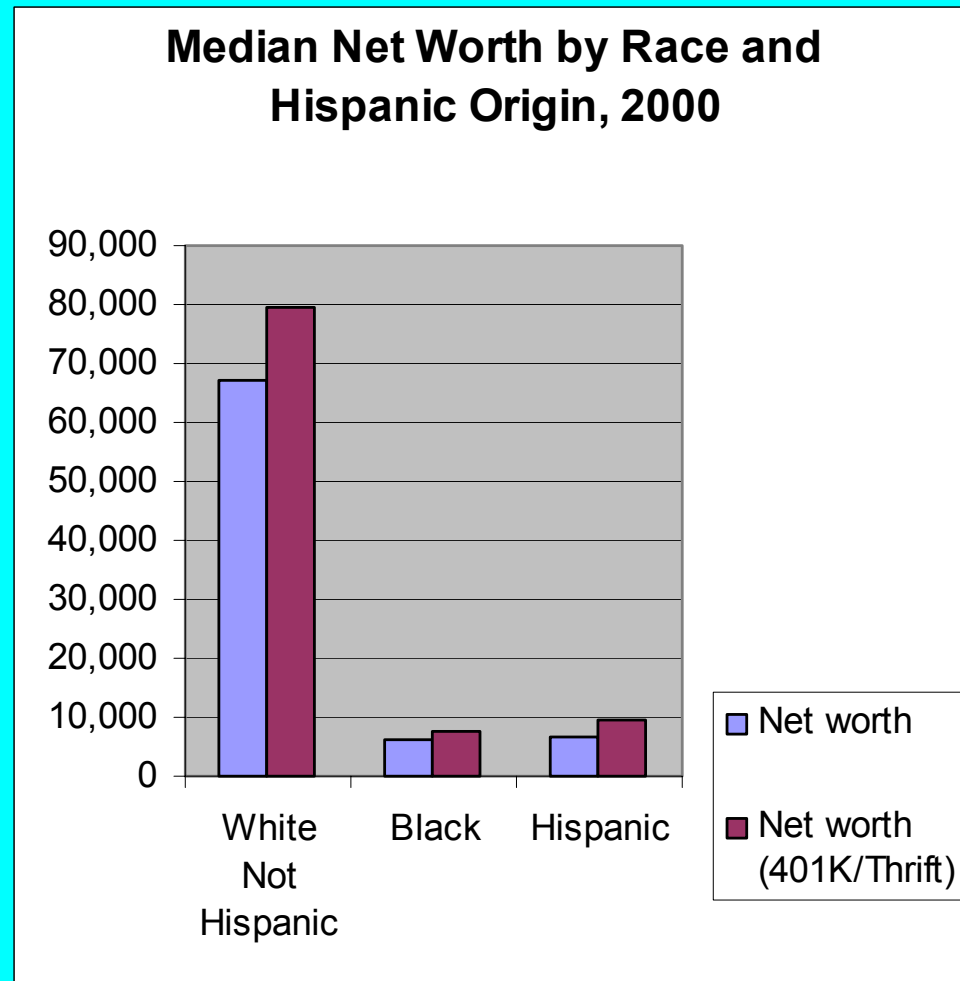
**African Americans and other people of color are also **denied opportunities for homeownership.****

**Thus, housing discrimination continues to interfere with 1) freedom of choice, 2) opportunities to live in diverse neighborhoods, and 3) homeownership opportunities.**

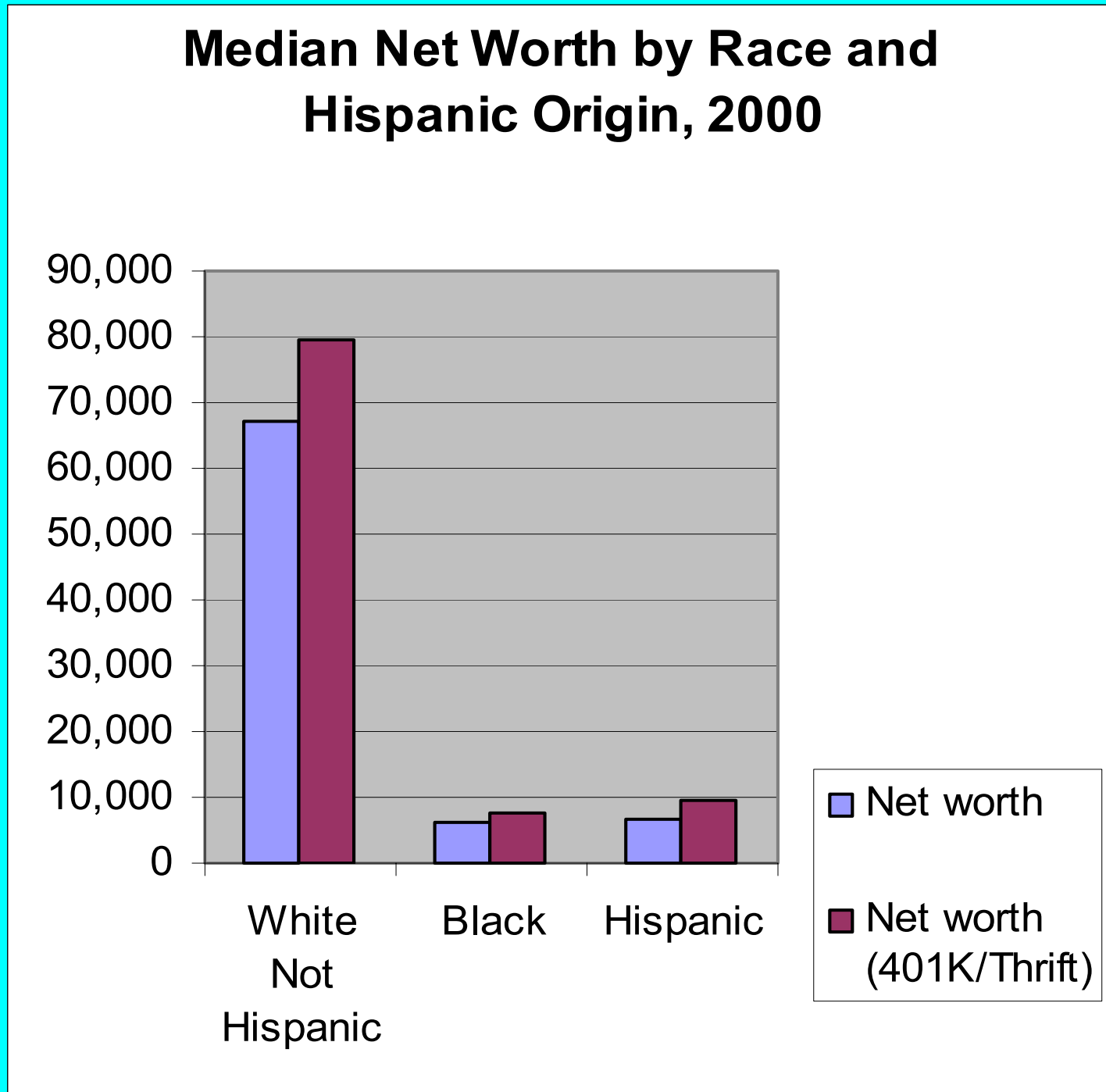
**Key Point 8:** Housing segregation and discrimination have significant consequences for people of color.

- **Deprivation of asset accumulation (reduced homeownership and the “segregation tax”)**
- **Restricted educational opportunities**
- **Reduced access to employment opportunities (“spatial mismatch”)**

# Deprivation of asset accumulation (reduced homeownership and the “segregation tax”)

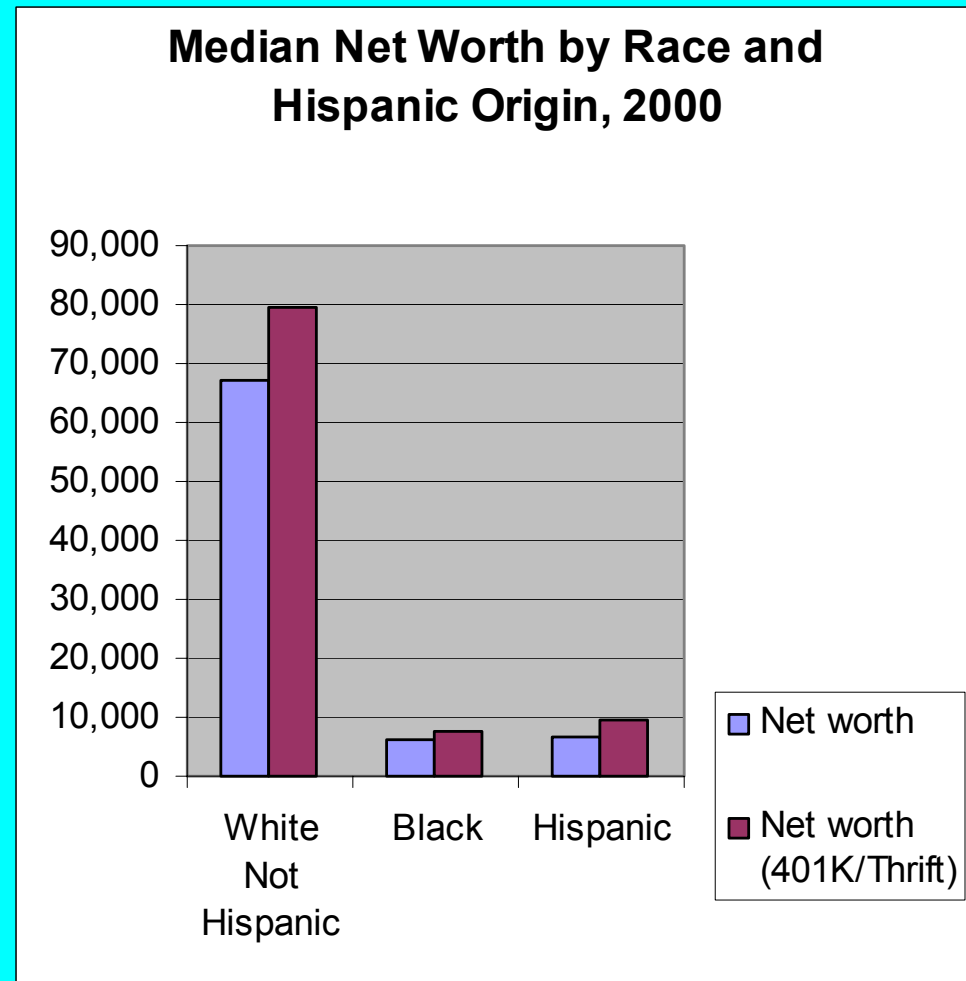


- **As shown here, even without savings, the average white household has 10 times the wealth of the average black or Hispanic household.**



# Most of this difference comes from differences in home equity.

- 46 percent of African Americans owned their own homes in 2000, compared to 72 percent of nonhispanic whites.
- The average white homeowner has **\$58,000** in home equity compared to **\$18,000** for the average black homeowner.



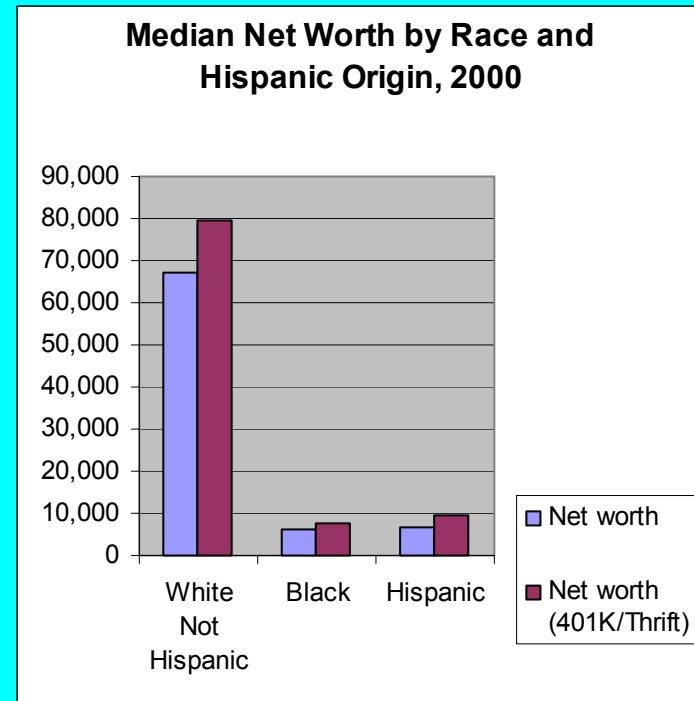


Segregation and discrimination also reduce home equity for African American and Latino/a homeowners by limiting their access to the market of potential buyers (the “segregation tax”).

- As a result, the average value of single-family homes in predominantly white neighborhoods is \$196,000 compared to \$184,000 in integrated and \$104,000 in predominantly minority communities (in the 100 largest metropolitan areas with significant minority populations).

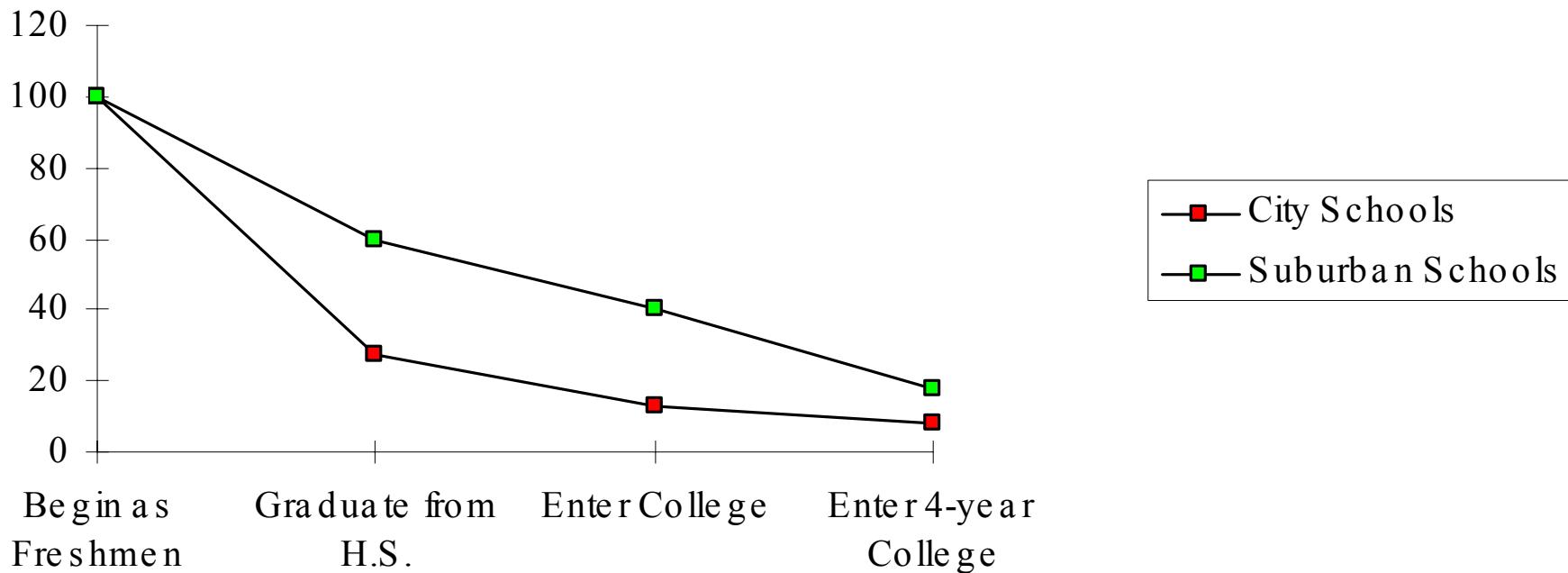
Clearly, housing segregation and discrimination are a major reason why the racial and ethnic gap in asset ownership is so much greater than the racial gap in income.

- Both African Americans and Hispanics have **incomes** about **60%** of those of whites, but their **assets** average only about **10%** of those of whites.



# Restricted educational opportunities

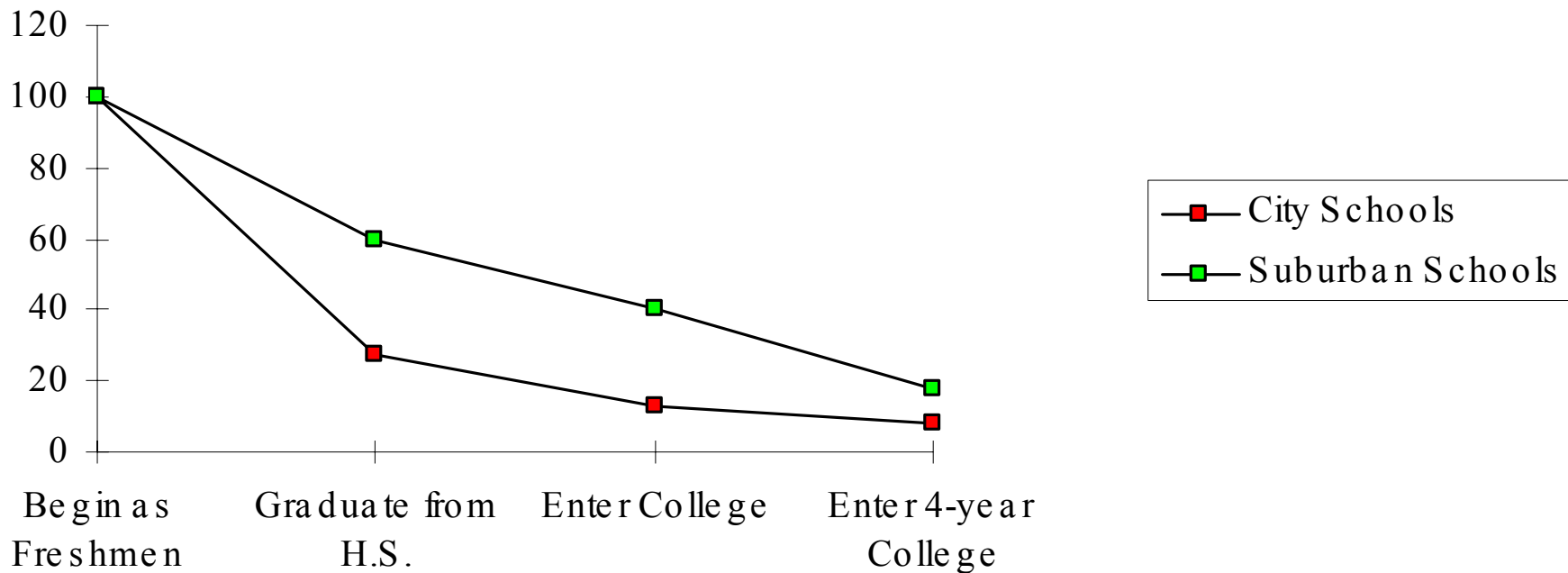
**Figure 12-1. Experiences of 100 African American Freshmen from St. Louis City in City and Suburban Schools**



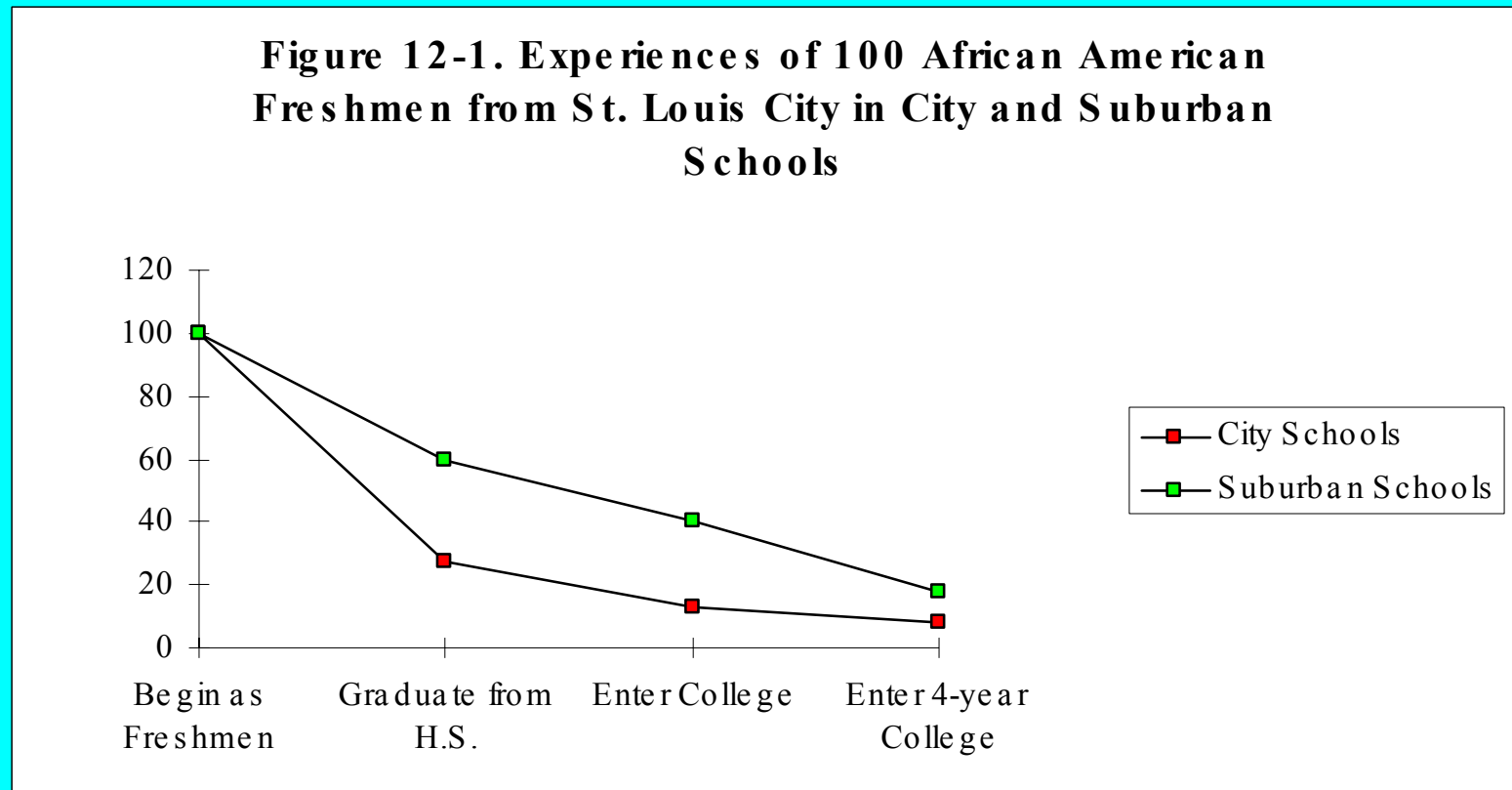
- Housing segregation begets school segregation. In particular, it overconcentrates African American and Latino/a students in central city schools.
- Typically, these schools experience greater financial difficulty and place lower expectations on students than many suburban schools.
- Consequently, students in suburban schools usually fare better.
- In the absence of integrated housing, students of color lack access to suburban schools except through busing.

# Consider these data from the St. Louis City-Co. Transfer Program

**Figure 12-1. Experiences of 100 African American Freshmen from St. Louis City in City and Suburban Schools**



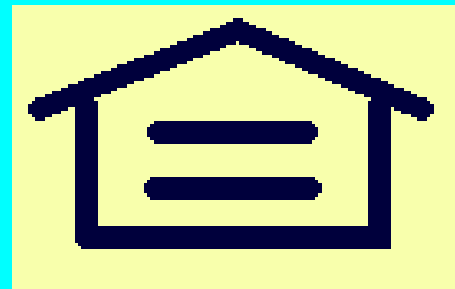
- African American students going to suburban schools are at least twice as likely as city students to graduate from high school, enter college, and enter a 4-year college.



- Source: Amy Stuart Wells and Robert Crain, *Stepping Over the Color Line*.

But the St. Louis plan is being scaled back, and busing has been eliminated in areas throughout the country.

- As a result - as Gary Orfield will discuss tomorrow - our schools are becoming steadily more segregated, and access of African American and Latino/a students to suburban schools will be very limited unless gains are made in fair housing.



# Reduced access to employment opportunities (“spatial mismatch”)

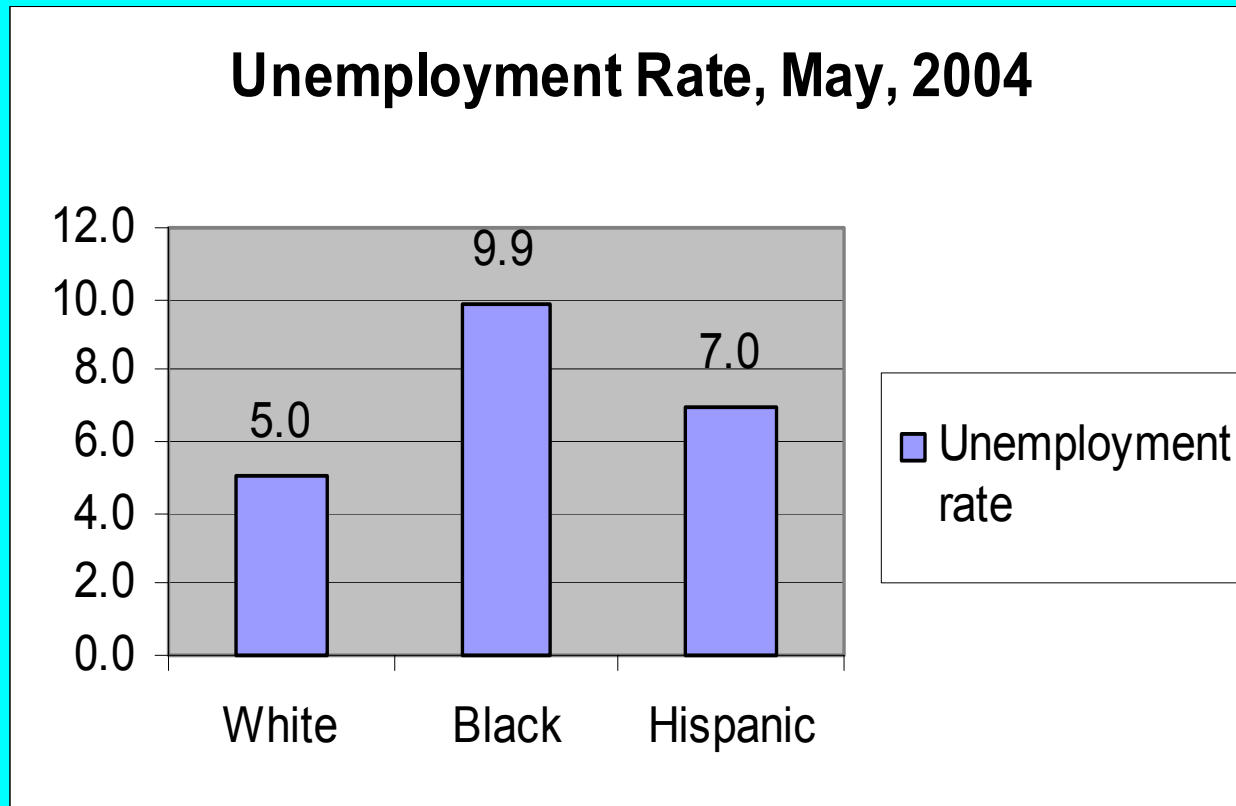
- As we have seen, both African Americans and Latino/a Americans are more likely to live in central cities than in suburbs, while non-Hispanic whites are much more likely to live in suburbs.
- Over the past few decades, job growth has been, and continues to be, in suburbs - often very outlying ones.



The result is a “spatial mismatch” between the distribution of the African American and Latino/a populations and the locations of job openings

- This is worsened because about one out of four African American households and more than one out of six Latino/a households have **no motor vehicle**.

The result is restricted access to jobs, which raises the unemployment rates of African Americans and Latinos relative to non-Hispanic whites.



**Key Point 9:** Housing segregation and discrimination have broader implications for race relations, by preventing opportunities for meaningful intergroup contact.

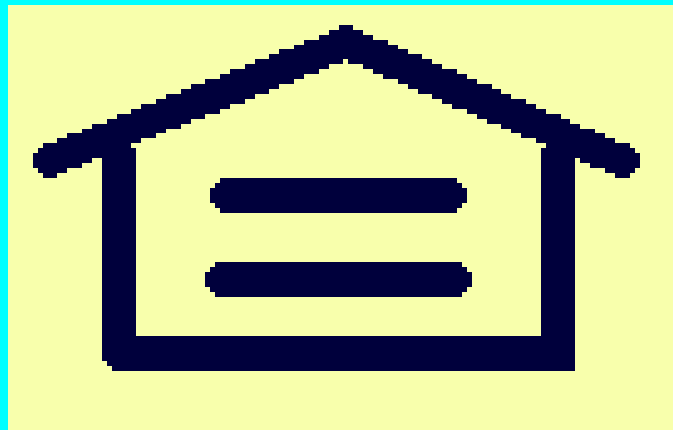
- Over 50 years of social research has confirmed that greater contact between groups brings about more favorable intergroup attitudes and reduced prejudice and stereotyping.
- This is especially true for close, ongoing contact such as that between neighbors.

But housing segregation severely limits opportunities for such contact.

- As a result, many whites, in particular, are “culturally deprived” through lack of opportunity to interact with and learn about people of different racial/ethnic backgrounds.

- For example, though many whites *claim* to have African American friends, far fewer actually name African Americans when asked to name their closest friends.
- In a 1998 General Social Survey, when asked “Are any of your good friends that you feel close to Black/White?”, 42 percent of whites claimed that one or more of their good friends were black.
- However, when whites were asked to name their good friends, and afterwards were asked the race of the people they had named, it turned out that only 6 percent had named an African American

I'm firmly convinced that if most whites lived in diverse rather than segregated neighborhoods, this number would be different, and whites would have a better understanding of the realities of the experiences of African Americans and other people of color.



We're now open for questions  
and discussion.

